GABELLI
VALUE PLUS+ TRUST PLC

# Annual Report and Accounts 2021

Gabelli Value Plus+ Trust Plc's investment objective:
To seek capital appreciation by investing predominantly in equity securities of U.S. Companies.

## Contents



# At a glance

GABELLI VALUE PLUS+ TRUST PLC ("GVP" or the "Company") was launched in February 2015 to invest in U.S. equities. The Company is a public company, limited by shares. Trading on the London Stock Exchange under the symbol GVP, the Company brings the "best of" Gabelli Funds through an actively managed fund investing in U.S. companies, giving UK investors direct access to the Gabelli value investment methodology. It incorporates a portfolio of Gabelli Funds all cap U.S. equity ideas with selective deployment of their classic merger arbitrage approach. The merger arbitrage approach aims to earn absolute returns in excess of short term interest rates, non-correlated with the overall equity markets.

Through its Manager, Gabelli Funds, LLC ("Gabelli Funds"), the Company provides access to Gabelli's core methodology, which has delivered annualised outperformance of the Standard & Poor's 500 Index of 5% since the launch of this strategy in 1977. The Company's investment portfolio is diversified across securities, capitalisations, sectors, and event time horizons; it is flexible through various market cycles and opportunistic where appropriate.

The Company is part of the lineage of Gabelli Closed-End Funds. The Gabelli Fund complex currently includes 14 U.S.-based closed-end funds, two funds based in the UK, 24 open-end funds and a SICAV, with two sub-funds.

# Financial Highlights

| Performance (unadjusted for distributions) | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Net asset value per share (cum income) | **168.5p** | 103.0p |
| Net asset value per share (ex income) | **167.2p** | 101.9p |
| Share price | **162.0p** | 82.5p |
| Discount relative to the NAV (cum income)§ | **3.9%** | 19.9% |
| Exchange Rate (US$/£) | **1.38** | 1.24 |

| Total returns | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Net asset value per share#§ | **64.3%** | (25.0%) |
| Russell 3000 Value Index (£) | **42.3%** | (14.0%) |
| Standard & Poor's 500 Index (£) | **40.5%** | (2.5%) |
| Share price† § | **98.2%** | (32.7%) |

| Income | | |
|---|---|---|
| Revenue return per share | **1.32p** | 1.09p |

| Ongoing charges* | | |
|---|---|---|
| Annualised ongoing charges** § | **1.32%** | **1.24%** |

Source: Investment Manager (Gabelli Funds, LLC), verified by the Administrator, State Street Bank and Trust Company.

# The net asset value ("NAV") total return for the year reflects the movement in the NAV, adjusted for the reinvestment of any dividends paid.

† The total share price return for the year to 31 March 2021 reflects the movement in the share price during the year, adjusted to reflect the reinvestment of any dividends paid.

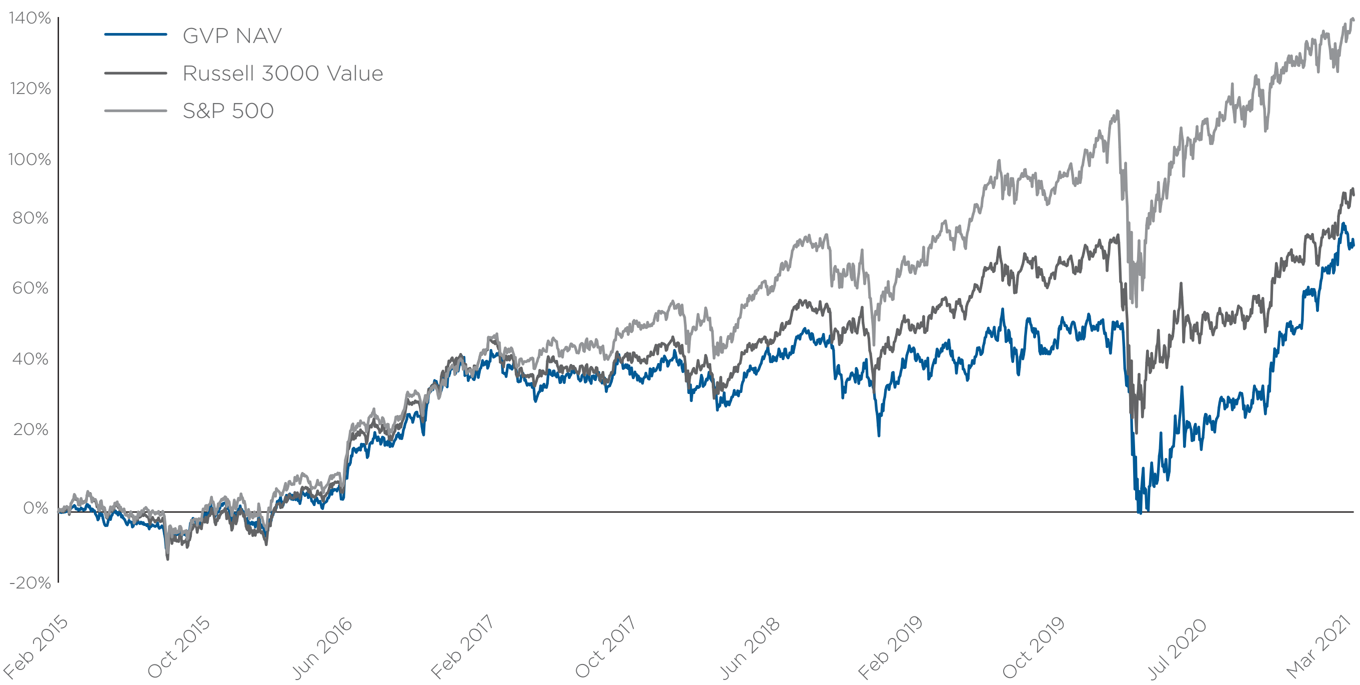
* Ongoing charges are calculated as a percentage of shareholders' funds using the average net assets over the year and calculated in line with the AIC's recommended methodology.

** The annualised ongoing charges are the recurring operating and investment management costs of the Company, expressed as a percentage of the average net assets. The breakdown is set out in the following table. Portfolio transaction charges are shown for transparency, although they do not form part of the ongoing charges under the AIC's recommended methodology.

§ Alternative Performance Measure (please refer to the Glossary on pages 48 and 49).

| | £000 | Year ended 31 March 2021 % of average net assets | £000 | Year ended 31 March 2020 % of average net assets |
|---|---|---|---|---|
| Revenue expenses | **543** | **0.41** | 474 | 0.34 |
| Investment management fees | **1,193** | **0.91** | 1,258 | 0.90 |
| | **1,736** | **1.32** | 1,732 | 1.24 |
| Transaction costs | **103** | **0.08** | 94 | 0.07 |

## Cumulative Performance Since Launch on 19 February 2015 to 31 March 2021




Source: Bloomberg – Total Return Analysis Function.

# Chairman's Statement

Peter Dicks
Chairman

## Introduction

I am pleased to present the Company's annual results for the year to 31 March 2021. The period under review saw financial markets, in the United States and worldwide, reacting to the spread of the COVID-19 pandemic, with governments stepping in to provide fiscal stimulus for the economy through financial support for both individuals and companies. Whilst initially heavily impacted in the early part of 2020 with governments' stimulus and, more recently, the availability of a number of vaccines, markets have recovered the early losses and more.

### Performance

By all measures, the fiscal year ending on 31 March 2021 was a very good year in performance terms for Gabelli Value Plus+ Trust. For the year, NAV performance was up 64.33% and share price performance was up by 98.15%. Of course, this was coming off a disappointing prior year, when the global pandemic was hitting the U.S. stock market, and all global markets, exceptionally hard. Our investment manager, Gabelli Funds, does not benchmark itself against any passive index, but rather tries to generate absolute returns over the long term. For comparison purposes, the S&P 500 Index was up 40.5% (in sterling), or 56.35% % (in U.S. dollars) during the year. The Russell 3000 Value Index increased by 42.3% (in sterling), or 58.4% (in U.S. dollars) over the same period. The Board would like to congratulate the investment manager for the performance during the past year.

Through 30 June 2020, the S&P 500 Index was off a mere 3% from the start of 2020, having rallied almost 40% from its March low. Growth stocks continued their winning streak, powered by Facebook, Amazon, Netflix, Google/Alphabet, Microsoft, and Apple. At mid-2020, these six stocks had an aggregate market capitalization of $6.3 trillion, comprising 23% of the S&P 500 and contributing 5.4 points of positive year-to-date return. In late May/early June smaller capitalization and value stocks snatched market leadership before reversing.

Stocks continued to rise during the third quarter of 2020, with the S&P 500 Index up 8.9%, as gains in July and August were partially offset by a decline in September. The main issues still facing the markets centred largely around the COVID-19 pandemic: specifically, how long would it persist, would "second wave" cases spike significantly higher, leading to a return to further economic shutdowns and when would therapeutics and vaccines be ready for development and distribution?

It took COVID-19 to end the United States' longest bull market, which lasted 131 months, only to give way to its shortest bear market of just over one month. After declining 34% peak-to-trough February to March, the S&P 500 Index ended up 18% for 2020 (in U.S. dollars), 65% higher than its March low. Unfortunately, even in the face of rising asset prices and an overall increased savings rate, the extended economic shutdown strained the balance sheets of many small businesses and impaired the skills of many employees.

The first quarter of 2021, the Company's final fiscal quarter, provided a significant contrast to the first quarter of 2020. Last year, markets were hitting lows amid uncertainty regarding the ultimate reach of COVID-19 and the resulting economic wreckage at a time when even getting a diagnostic test was exceedingly difficult. More recently, not only have effective vaccines been developed, but most U.S. States have opened up their vaccine programs to all adults, or have announced that they will in the near future. At the same time other countries are seeing increases in infection rates and reintroducing or increasing restrictions to combat them. During the quarter, markets were at all time highs amid optimism about the "reopening" of the economy and the pent up demand for various activities and goods, especially travel, leisure, and entertainment.

### Dividend

The Company's portfolio is constructed with total return in mind rather than any split between income and capital return. The portfolio is likely to vary considerably relative to that of the U.S. stock market, according to the investment stock selections. Revenue earnings per share during the year were 1.32 pence per share, which compares with 1.09 pence in the prior year.

# Chairman's statement continued

The Directors have declared an interim dividend of 1.2 pence per share (2020: 1.10 pence per share, comprising a final dividend of 1.0 pence per share and an interim dividend of 0.1 pence per share) for the year. The dividend will be paid on 2 July 2021 to shareholders on the register at the close of business on 18 June 2021. The ex-dividend date is 17 June 2021.

## Share price rating and buybacks

The share price started the period at a discount of 19.9% to NAV and finished the year at a discount of 3.9%. In light of the outcome of the continuation vote at last year's Annual General Meeting ('AGM') the Board did not consider it appropriate to undertake any share buybacks during the year.

As shareholders are aware, the management fee paid to the Investment Manager is calculated on market capitalisation, since this is thought to better align its interests with that of shareholders.

## Board

As reported in last year's Annual Report, Kasia Robinski stepped down as Director and Audit Chair following the conclusion of the AGM on 30 July 2020. I should like to thank her for her valuable contribution to the Company and wish her well for the future.

## Continuation Vote

As shareholders will be aware, the continuation vote at last year's AGM was overwhelmingly defeated. The outcome of the vote provided the Board with a clear indication that the majority of independent shareholders wished to realise their investment in the Company at, or close, to the prevailing net asset value. The Board, together with the Company's Broker, have liaised extensively with the majority of shareholders to seek to deliver on the outcome of that vote. The significant shareholding of Associated Capital Group ('ACG'), an affiliate of the Investment Manager, would have been sufficient to defeat any special resolution that could be put before a general meeting of the Company, including any vote to place the Company into members' voluntary liquidation.

As announced on 8 February 2021, however, ACG irrevocably undertook to abstain from voting on a continuation resolution and on a resolution to place the Company into members' voluntary liquidation, to be proposed at a general meeting of the Company which is to follow the AGM.

Since the outcome of the continuation and liquidation votes are by no means certain, this represents a material uncertainty which may cast significant doubt on the Company's future and its ability to continue as a going concern. Notwithstanding this, the financial statements have been prepared on a going concern basis. In arriving at the decision on the basis of preparation, the Board considered the financial position of the Company, its cashflow and liquidity position as well as the uncertainty surrounding the outcome of the continuation and liquidation votes. Further commentary on the continuation and liquidation resolutions, including the voting recommendation of the Board of Directors, is included in the circular convening the GM which will be sent to shareholders shortly.

## Annual General Meeting and General Meeting

The Company's Annual General Meeting is to be held at the offices of Gabelli, 3 St. James's Place, London SW1A 1NP on Monday, 12 July 2021 at 11.00 am. The AGM will, by necessity, be purely functional in nature. Arrangements will be made to ensure that the minimum number of shareholders required to form a quorum will be in attendance in order that the meeting may proceed and the business be concluded. The Board considers these arrangements to be in the best interests of shareholders given the current circumstances.

The AGM will be followed by a general meeting of the Company at which a continuation resolution and a resolution to place the Company into members' voluntary liquidation will be proposed. A circular in connection with the general meeting referred to above will be posted to shareholders shortly.

The Board strongly discourages shareholders from attending the AGM and the subsequent GM on 12 July 2021 and entry will be refused if Government guidance so requires or if the Chairman considers it to be necessary. Shareholders are encouraged to exercise their votes in respect of the meeting in advance.

On behalf of the Board, I should like to thank shareholders in advance for their co-operation and understanding.

## Outlook

Looking ahead, the outlook for the Company appears promising, with the Investment Manager's bottom-up, value style investment philosophy finally delivering favourable returns for shareholders.

The U.S. economy is thriving, helped by an aggressive vaccine roll out and massive fiscal stimulus. In addition, the Federal Reserve has stated that they plan to keep short-term interest rates near zero for the foreseeable future, even if inflation reaches its 2% annual target. Furthermore, the probability is high that a large infrastructure spending bill will be passed by the U.S. Congress and signed into law by President Biden. The largest sector allocation in the portfolio is in industrial stocks, and this sector should benefit from such a bill.

Notwithstanding the promising outlook for the U.S. economy and markets, the Board recognises that shareholders have exercised patience since the previous continuation vote and may wish to take the opportunity, represented by the upcoming votes on continuation and members' voluntary liquidation, to vote for discontinuation and subsequent members' voluntary liquidation of the Company.

Peter Dicks
Chairman of the Board
9 June 2021

# The Search For Value – A History of Gabelli

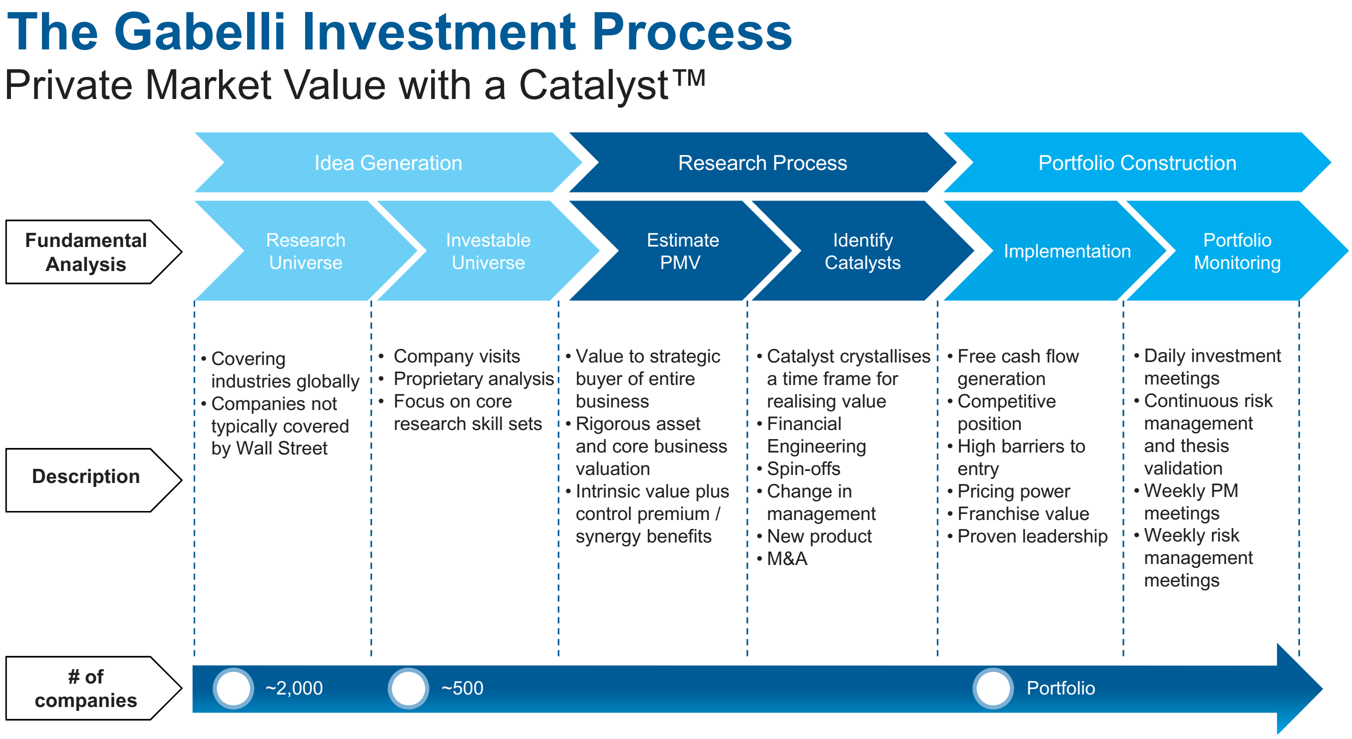
## Origins of Gabelli

The Gabelli organisation, of which Gabelli Funds, LLC is a major affiliate, began in the U.S. in 1976 as an institutional research firm. Gabelli's intense, research-driven culture has driven its evolution into a diversified global financial services company. The basis of its success remains unchanged – a focus on fundamental, bottom-up research, a highly consistent investment process, and the commitment to superior risk adjusted returns. With offices in the U.S., London, Tokyo, and Shanghai, and employing more than 150 professionals, we offer portfolio management in our core competencies across the globe.

Gabelli Funds, LLC took the basic tenets of classic value investing and forged our Private Market Value ("PMV") with a Catalyst™ approach. We have built a company currently managing over $27.5 billion in assets and a track record of consistent returns over time.

Gabelli is credited by the academic community for establishing the notion of PMV and applying the process in the analysis of public equity securities. Our value oriented bottom-up stock selection process is based on the fundamental investment principles first articulated in 1934 by Graham and Dodd, the founders of modern security analysis, and further augmented by Mario Gabelli in 1977 with his introduction of the concepts of PMV into equity analysis.

Our sustainable, time-tested investment principles of fundamental security analysis are as valid today as they were more than eighty years ago.



# Investment Manager's Review

Both the Company and its Investment Manager are economically viable and in strong financial positions. The Company maintains a highly liquid investment portfolio.

At the upcoming GM, scheduled for 12 July 2021, a continuation vote will be held. Due to this vote, throughout this Annual Report there is language related to the "going concern" of the Company. The going concern of the Company relates ONLY to the uncertainty of the outcome of this continuation vote.

## Gabelli Philosophy and Process

Gabelli Funds would like to thank our investors for entrusting a portion of their assets to the Gabelli Value Plus+ Trust. We appreciate the confidence and trust you have offered our organisation through an investment in GVP. Today, as for more than forty years, we remain vigilant in the application of our investment philosophy and in our search for opportunities. Before we review the fiscal year just completed and self-assess the performance since our launch in 2015, we would like to remind our shareholders of our investment philosophy and process.

We at Gabelli are active, bottom-up, value investors, and seek to achieve real capital appreciation (relative to inflation) over the long term, regardless of market cycles. We achieve returns through investing in businesses utilising our proprietary Private Market Value ("PMV") with a Catalyst™ methodology. PMV is the value that we believe an informed buyer would be willing to pay to acquire an entire company in a private transaction. Our team arrives at a PMV valuation through the rigorous assessment of fundamentals, from publicly available information and judgment gained from our comprehensive, accumulated knowledge of a variety of sectors. We focus on the balance sheet, earnings, free cash flow, and the management of prospective companies. We are not index benchmarked, and construct portfolios agnostic of market capitalisation and index weightings. We have invested this way since 1977.

Our research process identifies differentiated franchise businesses, typically with strong organic cash flow characteristics, balance sheet opportunities, and operational flexibility. We seek to identify businesses whose securities trade in the public markets at a significant discount to our assessment of their PMV estimate, or "Margin of Safety".

Having identified such securities, we look to identify one or more "catalysts" that will narrow or eliminate the discount associated with that "Margin of Safety". Catalysts can come in many forms including, but not limited to corporate restructurings (such as de-mergers and asset sales), operational improvements, regulatory or managerial changes, special situations (such as liquidations), and mergers and acquisitions.

It is through this process of bottom-up stock selection and the implementation of disciplined portfolio construction that we expect to create value for our shareholders.

## The Year in Review: What a Difference a Year Makes!

On 31 March 2020, the United States and the entire world were in the early stages of dealing with the COVID-19 global pandemic. Lockdowns were going into place across the United States, and many businesses came to a complete standstill. The stock market was dropping quickly during the month of March, and investors were at a loss trying to figure out how the pandemic would play out. It had been approximately one hundred years since the last pandemic, and projections for potential deaths were all over the map. Stock markets throughout over the world were suffering great losses.

Fast forward to today, and it is a very different story in the U.S. Vaccine rollouts are in full force, and states are gradually reopening for business. The Federal government has injected massive fiscal stimulus into the economy and the Federal Reserve has pumped huge amounts of liquidity into the markets. Unemployment has dropped significantly, to approximately 6%, and is expected to drop further throughout 2021. The stock market has more than recovered and is hitting new highs. Value stocks, which have been out of favor for many years, are starting to perform well. In addition, small- and mid-capitalization stocks are also starting to perform well after many years of disappointing performance.

We are happy to report that the net asset value (NAV) of (y)our Fund is also hitting new highs. With the potential for an infrastructure spending bill to pass Congress and go into law, we feel the significant exposure of the Trust to the industrial sector should help the overall portfolio to perform well. After many years of value investing being out of style, it is nice to finally have the wind to our backs.

## Self-Assessment

It has now been just over six years since Gabelli Value Plus+ Trust was launched in February of 2015. When we were conducting the road show for the launch of the Trust, many potential UK investors wanted to participate in the U.S. stock market, but they wanted a defensive exposure. Our Private Market Value with a Catalyst™ approach, with its absolute return focus, seemed to be a good fit for many of these investors, especially given that a portion of the portfolio was to be invested in announced merger deals. At the time, many potential investors commented that if we could generate high single digit returns over a market cycle, they would be very happy.

As we reflect on those years, we are happy to point out that original investors paid 100 pence at launch, and on 31 March 2021, the NAV of Gabelli Value Plus+ Trust was 170 pence. That works out to a compounded average rate of return of over 9% over the past six years. If one includes the dividends that have been paid out to shareholders, then the total return is even higher. It is worth nothing that, since the launch of the Trust, leverage was never used at any time.

One concern expressed to us during the initial roadshow was that American money managers were known for coming to the UK to raise money and then never coming back to update investors on their investment. At that time, we promised that we would be active in client service. To date, the New York-based portfolio managers on the Trust have conducted dozens and dozens of in-person meetings with investors all over the UK.

In summary, we feel strongly that we have done exactly what we promised we would do during the road show. We point this out because in July there will be another continuation vote for shareholders. We hope that you share our belief that we have delivered on what we said we would do over six years ago, and that this Trust continues to meet your investment objectives.

## Performance Summary 2020/21

During the past year, our best five contributors to our returns were our holdings in the shares of Herc, Freeport McMoRan, Viacom, Discovery, and Navistar. By contrast, our holdings in Hertz, Ryman Hospitality, General Electric, and Aerojet Rocketdyne were all laggards.

Let's Talk Stocks:

Aerojet Rocketdyne Holdings Inc. (AJRD – $46.96 – NYSE), based in El Segundo, California, is a manufacturer of aerospace and defense products and systems for defense and space applications. The manufacturing operation is a leading technology-based designer, developer, and manufacturer of aerospace and defense products for the U.S. government, including the Department of Defense and NASA. AJRD also manufactures products for governmental contractors and the commercial sector. On 20 December 2020, the company announced it had agreed to be acquired by Lockheed Martin Corporation in an all-cash transaction with total equity value of $5 billion, or $56 per share. As part of the transaction, Aerojet Rocketdyne declared a $5.00 per share pre-closing special dividend, which was paid on 24 March 2021. The transaction is expected to close in the second half of 2021.

BK Bank of New York Mellon Corp. (BK – $47.29 – NYSE) is a global leader in providing financial services to institutions and individuals. The company operates in more than one hundred markets worldwide and strives to be the global provider of choice for investment management and investment services. As of December 2020, the Firm had $41.1 trillion in assets under custody and $2.0 trillion in assets under management. Going forward, we expect BK to benefit from higher interest rates, rising global incomes and the cross border movement of financial transactions.

CNH INDUSTRIAL NV (CNHI – $15.64 – NYSE), with headquarters in London, England, and Burr Ridge, Illinois, is a global capital equipment manufacturer that was demerged from parent Fiat in 2013. CNHI is unique in that it has leading positions in a variety of global machinery markets. It is best known for its agricultural equipment business, consisting of Case IH, New Holland Agriculture, and Steyr brands. The company's other businesses include IVECO, a leading global truck and bus manufacturer, as well as Case and New Holland construction machinery. Finally, its FPT Industrial brand provides engines and transmissions for the company's captive businesses and also sells to other machinery manufacturers. The new CEO, Scott Wise, is committed to CNHI's financial engineering plan, by which it will separate its Off Highway business from its Truck and Engine business via a tax free spin.

PNC Financial Services Group Inc. (PNC – $175.41 – NYSE) is one of the nation's largest diversified financial services organizations. From the company's Pittsburgh headquarters, PNC provides retail and commercial banking services in the Northeast, Southeast, and Midwest U.S. via a regional branch network of over two-thousand locations along with mortgage and deposit businesses on a national basis. In November 2020, PNC announced their intention to acquire the U.S. subsidiary of Spanish bank BBVA for $11.6 billion in cash, which would add $104 billion in assets to PNC and expand the company's footprint throughout the Southwest and West Coast. The company expects the merger to close near the middle of 2021, and provide annual earnings accretion in excess of 20% during the first full year of combined operations.

RSG Republic Services Inc. (RSG – $99.35 – NYSE), based in Phoenix, Arizona, became the second largest solid waste company in North America after its acquisition of Allied Waste Industries in December 2008. Republic provides nonhazardous solid waste collection services for commercial, industrial, municipal, and residential customers in forty-one states and Puerto Rico. Republic serves more than 2,800 municipalities and operates 186 landfills, 220 transfer stations, 345 collection operations, and 76 recycling facilities. Since the Allied merger, Republic has benefited from synergies driven by route density, beneficial use of acquired assets, and reduction in redundant corporate overhead. Republic is committed to its core solid waste business. While other providers have strayed into alternative waste resource technologies and strategies, we view Republic's plan to remain steadfast in the traditional solid waste business positively. We expect continued solid waste growth acquisitions, earnings improvement, and incremental route density and internalization growth in already established markets to generate real value in the near to medium term, highlighting the company's potential.

**Gabelli Funds, LLC**
9 June 2021

# Portfolio Summary

## Portfolio distribution as at 31 March 2021 (%)*

| | As at 31 March 2021 | | |
|---|---|---|---|
| | **GVP Portfolio** | Russell 3000 Value | S&P 500 |
| Communication Services | 15.3 | 9.9 | 10.9 |
| Consumer Discretionary | 6.6 | 12.3 | 12.5 |
| Consumer Staples | 5.5 | 5.6 | 6.1 |
| Energy | 2.6 | 2.6 | 2.8 |
| Financials | 10.4 | 11.7 | 11.3 |
| Health Care | 8.6 | 13.5 | 13.0 |
| Industrials | 33.3 | 9.7 | 8.8 |
| Information Technology | 3.9 | 25.8 | 26.7 |
| Materials | 9.1 | 3.0 | 2.7 |
| Real Estate | 0.0 | 3.3 | 2.5 |
| Utilities | 4.7 | 2.6 | 2.7 |
| Total | 100.0 | 100.0 | 100.0 |

* Excludes cash and short-term investments.

## By asset class (%)

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Equities | 77.4 | 88.5 |
| Cash and short-term investments | 22.6 | 11.5 |
| Total | 100.0 | 100.0 |

## Portfolio holdings

| | As at 31 March 2021 | |
|---|---|---|
| | Market value £000 | % of total portfolio |
| Navistar International Corp | 6,063 | 4.7 |
| Bank of New York Mellon Corp | 4,456 | 3.4 |
| PNM Resources Inc | 4,194 | 3.2 |
| PNC Financial Services Group | 4,068 | 3.2 |
| Freeport-McMoRan Inc | 4,009 | 3.1 |
| Mueller Industries Inc | 3,966 | 3.1 |
| CNH Industrial N.V. | 3,911 | 3.1 |
| GCP Applied Technologies | 3,881 | 3.0 |
| State Street Corp | 3,836 | 3.0 |
| Republic Services Inc | 3,748 | 2.9 |
| Cubic Corp | 3,513 | 2.7 |
| Textron Inc | 3,435 | 2.7 |
| Aerojet Rocketdyne Holdings Inc | 3,407 | 2.6 |
| Sinclair Broadcast Group | 2,969 | 2.3 |
| Energizer Holdings Inc | 2,649 | 2.0 |
| Flowserve Corp | 2,588 | 2.0 |
| Loral Space & Communications Inc | 2,566 | 2.0 |
| Myers Industries Inc | 2,518 | 1.9 |
| Dana Inc | 2,381 | 1.8 |
| Fox Corp | 2,379 | 1.8 |
| Sub-total – top 20 holdings | 70,537 | 54.5 |
| Sub-total – top 21 – 40 holdings | 33,824 | 26.1 |
| Sub-total – top 41 – 60 holdings | 15,717 | 12.1 |
| Sub-total – remaining holdings | 9,481 | 7.3 |
| Total holdings* : 101 positions | 129,559 | 100.0 |

* Excludes cash and short-term investments.
All holdings are ordinary shares.

# Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 March 2021. The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review.

The Chairman's Statement on pages 3 and 4 and the Investment Manager's Review on pages 5 to 9 form part of the Strategic Report.

## Business Review

### Structure and Objective of the Company

Gabelli Value Plus+ Trust PLC (GVP or the Company) is an investment trust company that has a premium listing on the London Stock Exchange.

The Company's strategy is to generate returns for its shareholders by pursuing its investment objective while mitigating shareholder risk, by investing in a diversified spread of equity investments. Through a process of bottom-up stock selection and the implementation of disciplined portfolio construction, the Company aims to create value for its shareholders.

In seeking to achieve its investment objective the Company has contractually delegated the management of the investment portfolio to Gabelli Funds, LLC, (the "Manager"). Gabelli Funds, LLC is also the Company's Alternative Investment Fund Manager.

The Company's existing investment objective and investment policy are set out below.

### Investment Policy, Restrictions and Guidelines

The Company will seek to meet its investment objective by investing predominantly in equity securities of U.S. companies, of any market capitalisation.

In selecting such securities the Manager will utilise its proprietary Private Market Value ("PMV") with a Catalyst™ methodology. PMV is the value that the Manager believes an informed industrial buyer would be willing to pay to acquire an entire company. The Manager arrives at a PMV valuation by a rigorous assessment of fundamentals (focusing on the balance sheet, earnings and free cash flow) from publicly available information and judgment gained from its comprehensive, accumulated knowledge of a variety of sectors.

The Manager's fundamental research seeks to identify investments typically featuring, but not limited to, differentiated franchise businesses with organic cash flow, balance sheet opportunities and operational flexibility. The Manager will seek to identify businesses whose securities trade in the public markets at a significant discount to their PMV estimate which the Manager refers to as a "Margin of Safety".

Having identified such securities, the Manager will seek to identify one or more "catalysts" that will help to narrow or eliminate the Margin of Safety. Catalysts can come in many forms including, but not limited to, corporate restructurings (such as demergers and asset sales), operational improvements, regulatory or managerial changes, special situations (such as liquidations) and mergers and acquisitions.

The Manager seeks value creation through its process of bottom-up stock selection and its implementation of a disciplined portfolio construction process.

As at 31 March 2021, the top 60 holdings represent 92.7% of the total investments, in line with expectations at launch. Cash holdings currently represent 22.6% of the portfolio.

In addition to equity securities of U.S. companies, the Company may (subject to the investment restrictions set out below) also invest in other securities from time to time including non-U.S. securities, convertible securities, fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts, warrants and other rights. Subject to the investment restrictions set out below, there is no limitation on the number of investments which may be exposed to any one type of catalyst event, including demergers, restructurings or announced mergers and acquisitions.

The Company may invest through derivatives for efficient portfolio management and for investment purposes. Any use of derivatives for efficient portfolio management and for investment purposes will be subject to the investment restrictions set out below.

### Risk diversification

#### General

Portfolio risk will be mitigated by investing in a diversified spread of investments. In particular, the Company will observe the following investment restrictions:

- no single investment shall, at the time of investment, account for more than 10 per cent. of the Gross Assets;
- no more than 15 per cent. of the Gross Assets, at the time of investment, shall be invested in securities issued by companies other than U.S. companies; and
- no more than 25 per cent. of the Gross Assets, at the time of investment, shall be exposed to any one industry (as defined by the MSCI industry groups according to the GICS (global industry classification standards categorisation).

The Company may adopt a temporary defensive position where it determines that adverse market conditions exist and invest some or all of the portfolio in:

- cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or
- any "government and public securities" as defined for the purposes of the FCA Handbook.

In addition, uninvested cash or surplus capital or assets may be invested on a temporary basis in such assets.

#### Derivatives and short selling

If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments at the time of investment will not exceed, in aggregate, 10 per cent. of its Gross Assets. The Company may take both long and short positions. The Company may short up to a limit of 10 per cent. of its Gross Assets. For shorting purposes, the Company may use indices or individual stocks.

When investing via derivatives and/or structured financial instruments (whether for investment purposes and/or for efficient portfolio management purposes), the Company will seek to mitigate and/or spread its counterparty risk exposure by collateralisation and/or contracting with a potential range of counterparty banks, as appropriate, each of whom shall, at the time of entering into such derivatives and/or structured financial instruments, have a single A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.

In the event of a breach of the investment guidelines and restrictions set out above, the Manager will inform the Board upon becoming aware of the same and, if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Manager will look to resolve the breach with the agreement of the Board.

### Borrowing policy

The Company may borrow up to 15 per cent. of Net Asset Value (calculated at the time of draw down). Borrowings may be used for investment and/or working capital purposes.

In accordance with the requirements of the UK Listing Authority, any material change to the Company's investment policy will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

There has been no change to the investment policy since the launch of the Company in February 2015.

### Culture and Values

The Directors seek to discharge their responsibilities and meet shareholder expectations in an open and transparent manner. The Board seeks to recruit Directors who have diverse experience. The industry experience on the Board ensures that there is detailed knowledge and constructive challenge in the decision-making process. This helps the Company achieve its overarching aim of enhancing shareholder value. The Directors are mindful of costs and seek to ensure that the best value for money is achieved in managing the Company.

The Company's values of skill, knowledge and integrity are aligned to the delivery of its investment objective and are closely monitored by the Board.

The Board seeks to employ third party providers who share the Company's culture and, importantly, will work with the Directors in an open and transparent manner to achieve the Company's aims.

### Performance

Details of the Company's performance during the year are provided in the Chairman's Statement on pages 3 and 4. The Investment Manager's Review on pages 5 to 9 includes a review of developments during the year as well as information on investment activity within the portfolio.

### Total Return, Revenue and Dividends

The Company's revenue earnings for the year amounted to 1.32 pence per share (2020: 1.09 pence).

The Company intends to pay dividends annually. Dividend yield is a by-product of the investment process as part of the total return sought. Investors should have no expectation that the Company will pay dividends as anticipated, or at all, and past dividends are not an indication of future dividend payments.

On 21 January 2021, the Directors declared an interim dividend of 0.1 pence per ordinary share for the year ended 31 March 2020. The dividend was paid on 19 February 2021 to shareholders on the register at the close of business on 29 January 2021.

On 9 June 2021 the Directors declared an interim dividend of 1.2 pence per ordinary share in respect of the year ended 31 March 2021. The dividend is payable on 2 July 2021 to shareholders on the register at close of business on 18 June 2021.

### Key Performance Indicators ("KPIs")

The Board recognises that it is share price performance that is most important to the Company's shareholders. Fundamental to share price performance is the performance of the Company's net asset value. The central priority is to generate returns for the Company's shareholders through net asset value and share price total return, and to manage any discount or premium at which the Company's shares trade. The principal KPIs are described below:

- **Performance**
  At each meeting, the Board reviews the performance of the portfolio as well as the net asset value and share price. Although the Company does not have a benchmark the Board reviews performance in the context of the performance of the S&P 500 and Russell 3000 Value indices.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance and to understand the impact on the Company's relative performance of the various components, such as stock selection.

- **Share price discount to net asset value per share**
  The Board operates a share repurchase programme that seeks to address imbalances in supply and demand for the Company's shares within the market and thereby reduce the volatility of the discount to NAV per share at which the Company's shares trade. In the year to 31 March 2021, the discount ranged between 19.9% and 3.9% based on daily data. The Company did not buy back any ordinary shares during the year ended 31 March 2021.

  The Board, at its regular meetings, undertakes reviews of marketing and investor sentiment.

- **Ongoing charges**
  The ongoing charges represent the Company's management fee and all other recurring operating expenses expressed as a percentage of average net assets. The ongoing charges for the year ended 31 March 2021 were 1.32% (2020: 1 .24%).

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Net asset value total return[1] | 64.3% | (25.0%) |
| Share price total return[1] | 98.2% | (32.7%) |
| Discount to net asset value[2] | 3.9% | 19.9% |

[1] This measures the Company's NAV and share price total returns, which assumes dividends paid by the Company have been reinvested.
[2] This is the difference between the share price and the cum-income NAV per share at the year end.

# Strategic Report continued

The KPIs for the Company are set out on page 11. These KPIs fall within the definition of "Alternative Performance Measures" (APMs) under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 48 and 49.

## Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity, including the impact of the COVID-19 pandemic.

With the assistance of the Manager, the Board has produced a risk matrix which identifies the Company's key risks. In assessing these risks and how they can be mitigated, the Board has given particular attention to those issues that threaten the viability of the Company. These key risks remain unchanged since last year and are set out below, together with details of how these have been mitigated or managed, where appropriate.

### Investment Portfolio Risks

One of the main risks of an investment in GVP is a decline in the U.S. equity markets. This is best mitigated by investing in a diversified portfolio and by adhering to a carefully monitored series of investment restrictions, enabled by automated pre-trade compliance features and daily review of trade tickets. These strictures mandate that no single security purchase can, at the time of investment, account for more than 10% of the gross assets of the Company; no more than 15% of the gross assets, at the time of purchase, can be invested in securities issued by companies other than U.S. companies; and no more than 25% of the gross assets, at the time of purchase, can be exposed to any one industry as defined by the Morgan Stanley Capital Industry groups according to the GICS categorisations. In addition, the Board meets the portfolio management team quarterly at the Board meetings to review the risk factors and their effect on the portfolio, and a thorough analysis of the investment strategy is completed.

### Global Macro Event Risks

Global instability or events, such as the COVID-19 pandemic, could undermine markets and therefore affect the Company's share price and NAV. To this end, global economic, geopolitical, and financial conditions are constantly monitored. Diversification of Company assets is incorporated into the investment strategy and, if disruptive events occur, the Manager may be prepared to adopt a temporary defensive position and invest some or all of the Company's portfolio in cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties, with appropriate ratings as determined by an internationally recognised rating agency and approved by the Board. Another option is the investment in "government and public securities" as defined for the purposes of the Financial Conduct Authority Handbook.

### Operational Risks

The operational functions of the Company are outsourced to third parties, which include Computershare (registrar and receiving agent), State Street Bank and Trust Company (custodian, administrator, and depositary), Maitland Administration Services Limited (company secretary) and Peel Hunt (shareholder communications). Disruptions to the systems at these companies or control failures could impact the Company. All of these third parties report to the Company on a regular basis and their reports and representations are reviewed by the Board and the Manager.

The COVID-19 pandemic resulted in the operational functions of the Company's third party service providers transitioning to remote working under their respective business continuity plans. Service levels are monitored by the Board and they have continued to operate effectively.

### Corporate Governance and Regulatory Risks

The Company can suffer damage to its reputation through poor corporate governance. The Board actively performs self-assessments of compliance with best governance practices. Also, shareholder discontent due to a lack of appropriate communications and/or inadequate financial reporting could cause shareholders to reduce or liquidate their positions, which could impact the market price of the shares. The Board is in contact with its major shareholders on a regular basis, and it monitors shareholder sentiment. In addition, regulatory risks, in the form of failure to comply with mandatory regulations, could have an impact on the Company's continuity. The Company receives, and responds to, guidance from both its external and internal advisors on compliance with the Listing Rules, and Disclosure and Transparency Rules, as well as other applicable regulations.

### Tax Risks

In order to qualify as an investment trust, the Company must comply with Sections 1158-59 of the Corporation Tax Act 2010. A breach of these sections could result in the Company losing investment trust status and, as a consequence, capital gains realised within the Company's portfolio would be subject to Corporation Tax. The criteria are monitored by both the Board and the Manager.

### Market Price of the Shares may trade at a discount to Net Asset Value

The market price of the Company's shares may fall below the NAV per share. To address a discount, the Company has authority to make use of share buybacks, through which shares are repurchased when trading at a discount to NAV. The Company may purchase up to a maximum of 14.99% of its issued share capital. In addition, as discussed under "Corporate Governance and Regulatory Risks," the Company has increased its shareholder communications programmes to increase its visibility and interaction with existing and potential investors.

### Merger and Event Driven Risks

This risk is inherent to the mergers and acquisitions component of the Company's strategy and addresses the possibility that a deal does not go through, is delayed beyond the original closing date, or that the terms of the proposed transactions change adversely. This risk is addressed by the portfolio management team's careful selection and active monitoring of mergers and acquisitions deals, and maintaining a thorough knowledge of the selected securities in the portfolio.

### Climate Change Risk

The Board and Investment Manager consider how climate change could affect the Company's portfolio companies and shareholder returns. Currently, the near term effects of climate change and climate change regulation on the Company's investments are not considered to be material.

For discussion of additional risks, please refer to Note 11 to the financial statements.

## Section 172 Statement

The Directors are mindful of their duties to promote the success of the Company for the benefit of its shareholders, while also considering the interests of its wider stakeholders, as per section 172 of the Companies Act 2006. The matters set out in section 172(1)(a) to (f) are:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the company.

The Board acknowledges that engagement with key stakeholders assists the Board in meeting these obligations and has identified its key stakeholders below. The following outlines the Board's engagement with stakeholders in the year. The Company has no employees and therefore no employee stakeholder matters to consider.

| Stakeholder Group | Engagement in the year and their material issues |
| --- | --- |
| Investors | Shareholders play an important role in monitoring and safeguarding the governance of the Company and have access to the Board via the Company Secretary throughout the year and, under normal circumstances, are encouraged to attend the AGM.<br><br>During the year to 31 March 2021, the Board has had increased engagement with shareholders as it seeks to deliver a satisfactory outcome on the result of the continuation vote, which was defeated at last year's AGM. |
| Suppliers | Key suppliers are required to report to the Board on a regular basis. The Company employs a collaborative approach and looks to build long term partnerships based on open terms of business and fair payment terms. |
| Investee Companies | The Manager meets with the management of all companies in which the Company has a significant interest and reports on findings to the Board on a quarterly basis. |
| Regulators | The Board ensures compliance with the necessary rules and regulations relevant to the Company in order to build trust and reputation in the market. |

We define principal decisions as both those that are material to the Company but also those that are significant to any of our key stakeholders as identified above. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

| Principal Decision 1 | |
| --- | --- |
| Requisitioned General Meeting | The Board considered, and unanimously agreed, to recommend that shareholders vote against the resolutions proposed by Associated Capital Group, Inc. ('ACG') at the general meeting held in December 2020. |

| Principal Decision 2 | |
| --- | --- |
| Continuation Vote | The Board considered, and unanimously agreed, to recommend that shareholders vote against the continuation of the Company and that they vote in favour of the resolution to place the Company into members' voluntary liquidation at the forthcoming GM. |

## Viability Statement

In accordance with the provisions of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months referred to in the 'Going Concern' guidelines.

At the AGM held in 2020 a majority of shareholders voted against the continuation of the Company. At a general meeting of the Company requisitioned by ACG and held in December 2020, a majority of shareholders voted against all of the resolutions. In the period since the AGM the Directors have consulted widely with a majority of the shareholders. The consensus amongst the majority of independent shareholders, that is, excluding ACG, which is an affiliate of the Investment Manager, is that the Company should be placed into members' voluntary liquidation as soon as practicable.
A general meeting ('GM') has been convened to follow the AGM at which a further continuation resolution will be proposed, and also a resolution that the Company be placed into members' voluntary liquidation. In the shareholder circular convening the GM, the Board of Directors is unanimously recommending that shareholders vote against the continuation of the Company and that they vote in favour of the resolution to place the Company into liquidation; however, the outcome of the continuation and liquidation votes are by no means certain and, as such, the votes represent a material uncertainty in the context of assessing the future prospects of the Company. Notwithstanding this, the Directors have assessed the viability of the Company over a three year period to March 2024. This period was selected as the Company is subject to a continuation vote every two years and therefore, if the forthcoming continuation vote is passed, and the liquidation vote is defeated, a further vote would be required to be put to shareholders in 2023. Depending on

# Strategic Report continued

the outcome of that subsequent vote the Directors may be required to put forward proposals to wind-up, reorganise or reconstruct the Company. It is not unreasonable to estimate that this process could take up to a further 12 months. In making this assessment the Board also considered the Company's principal risks.

Investment trusts in the UK operate in a well established and robust regulatory environment and, for the purposes of assessing the viability of the Company and notwithstanding the uncertainty surrounding the outcome of the continuation and liquidation votes, the Directors have assumed that:

- Investors will continue to want to invest in closed-end investment trusts because the fixed capitalisation structure is better suited to pursuing the Investment Manager's proprietary long term PMV investment strategy;
- The Company's remit of investing predominantly in the securities of U.S. listed companies will continue to be an activity to which investors will wish to have exposure. (Many closed-end funds were originally created in the UK to facilitate investment in the "New World.")

As with all investment vehicles, there is a risk that the performance of individual investments will vary and that capital may be lost, but this is not regarded as a threat to the viability of the Company. Operationally, the Company retains title to all assets, and cash and securities are held with a custodian bank recommended by the Manager and approved by the Board.

The nature of the Company's investments means that solvency and liquidity risks are low because the portfolio is invested mainly in readily realisable listed securities:

- The closed-end nature of the Company means that, unlike an open-ended fund, it does not need to realise investments when shareholders wish to sell their shares; and
- The expenses of the Company are predictable and reasonable in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.

Taking these factors into account, and in the event that the continuation and liquidation votes do not require the Company to be wound up in the next 12 months, the Directors confirm that they have a reasonable expectation that the Company could continue to operate and meet its expenses as they fall due over the next three years.

The Company's portfolio consists of North American investments. Accordingly, the Board believes that the ongoing "Brexit" transition process will not materially affect the prospects for the Company, but the Board and Investment Manager continue to keep developments under review.

The COVID-19 pandemic initially had a significant impact on world stockmarkets; however, with the pandemic being brought under control and the availability of a number of effective vaccines, stockmarkets have recovered. The Board continues to monitor the COVID-19 situation but it does not expect it to impact the future viability of the Company.

### Future developments

The future of the Company is dependent upon the success of the investment strategy. The outlook for the Company is discussed in the Chairman's Statement on pages 3 and 4, Investment Manager's report on pages 6 and 7, the viability statement on pages 13 and 14 and the going concern statement on page 18.

### Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives that consideration when recruiting new Directors.

As at 31 March 2021 there were three male Directors. Following the departure from the Board of Kasia Robinski at the conclusion of the 2020 AGM, and in light of the uncertainty surrounding the continuation of the Company, the Board has not sought to replace Ms Robinski. In the event that the Company continues in its current form, consideration would be given to recruiting an additional director. Due consideration would be given to gender and ethnic diversity as part of the recruitment process.

### Employees, Social, Community and Human Rights Issues

As an investment vehicle the Company has no employees and accordingly it has no direct social or community impact and limited environmental impact from its operations. However, the Company believes that it is in shareholders' interests to consider human rights issues, environmental, social and governance factors when selecting and retaining investments.

The Chairman's Statement, the Investment Managers Report and the portfolio analysis also form part of this Strategic Report.

The Strategic Report was approved by the Board on 9 June 2021.

On behalf of the board

Peter Dicks
Chairman
9 June 2021

# Board of Directors

## Peter Dicks

Independent non-executive Director and Chairman of the Board of Directors, member of the Audit & Management Engagement Committee and the Nomination Committee

Peter was a founder and director of Abingworth plc which, between 1973 and 1992, specialised in making venture capital investments in the USA and the UK. He is currently Chairman of SVM UK Emerging Fund plc, a director of Foresight Solar Fund Limited, Miton MicropCap Trust plc and a number of other unquoted companies.

## Richard Fitzalan Howard

Independent non-executive Director. Chair of the Audit & Management Engagement Committee and of the Nomination Committee

Richard is a Partner of Stonehage Fleming. He was Chairman of Stonehage Fleming Investment Management Ltd from 2010 to 2020, having been CEO from 2000 to 2010. He joined Fleming Investment Management in 1975 and held a number of senior positions in London and New York. He also sits on the investment committees of the Dulverton Trust, Corpus Christi College Oxford and the Sovereign Order of Malta.

## Christopher Mills

Independent non-executive Director. Member of the Audit & Management Engagement Committee

Christopher founded Harwood Capital Management in 2011, a successor from J O Hambro Capital Management, which he co-founded in 1993. He is chief executive and investment manager of North Atlantic Smaller Companies Investment Trust plc and chief investment officer of Harwood Capital LLP. He is a non-executive director of numerous companies, some of which are publicly quoted. Christopher was a director of Invesco MIM, where he was head of North American Investments and venture capital, and of Samuel Montagu International.

# Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2021.

## The Company

The Company was incorporated in England and Wales on 18 December 2014 as a public company limited by shares. Its registered office is at 3 St. James's Place, London, England, SW1A 1NP. The Company was admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange on 19 February 2015.

The Company is an investment company, as defined in section 833 of the Companies Act 2006. It has been approved by HM Revenue & Customs as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

## The Alternative Investment Fund Managers Directive (AIFMD)

Gabelli Funds, LLC is the Company's Alternative Investment Fund Manager ("AIFM"). Therefore, the Company is an externally managed European Economic Area ("EEA") domiciled Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Managers' Directive ("AIFMD"). As a non-EEA AIFM Gabelli Funds, LLC is only required to make certain financial and non-financial disclosures. Further details are set out in the notes to the financial statements on pages 38 to 47.

## Facilitating Retail Investments

The Company conducts its affairs so that its shares can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

## Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on on page 15, together with their biographies. Details of the interests of the Directors in the share capital of the Company are set out in the Directors' Remuneration Report.

Kasia Robinski retired from the Board at the conclusion of the AGM on 30 July 2020. Following Ms Robinski's departure, Richard Fitzalan Howard was appointed as Chair of the Audit Committee.

No Director was a party to, or had an interest in, any contract or arrangement with the Company during the year under review or up to the date of approval of this report. No Director has a service contract with the Company.

Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next AGM, whereupon he/she shall retire and stand for election. Although the Articles of Association require the Directors to retire by rotation, the Board has adopted a policy whereby, all of the Directors are subject to annual re-election. Accordingly, Mr Dicks, Mr Fitzalan Howard and Mr Mills will offer themselves for re-election at the forthcoming AGM. Directors' appointments may also be terminated in accordance with the Articles of Association (the Articles). Details of the Directors' independence and Board tenure is provided in the Corporate Governance Statement on pages 20 to 22.

## Directors' conflicts of interest

Directors have a duty to avoid situations in which they have, or could have, a direct or indirect interest that conflicts, or may potentially conflict, with the Company's interests. This is in addition to the continuing duty that Directors owe the Company to disclose to the Board any transaction or arrangement under consideration by the Company in which they are interested.

Directors are required to disclose such conflicts and potential conflicts of interest upon appointment. A schedule of these is maintained by the Company Secretary and circulated at every quarterly Board meeting. Directors are responsible for keeping these disclosures up to date and, in particular, for notifying any new potential conflicts of interest or changes to existing situations to the Company Secretary.

In accordance with the Companies Act 2006 and the Company's Articles, the Directors can authorise such conflicts or potential conflicts of interest. In deciding whether to authorise any conflict, the Directors consider their general duties under the Companies Act 2006, and their overriding obligation to act in a way they consider, in good faith, will be most likely to promote the Company's success. In addition, the Directors are able to impose limits or conditions when giving authorisation to a conflict or potential conflict of interest if they think this is appropriate. The authorisation of any conflict matter, and the terms of any authorisation, may be reviewed by the Board at any time. The Board believes that the procedures established to deal with conflicts of interest operated effectively during the year under review.

## Directors' Indemnities

Subject to the provisions of the Companies Act 2006, the Company's Articles allow for Directors and officers of the Company to be indemnified out of the assets of the Company against all costs, losses, and liabilities incurred for negligence, default, breach of duty or trust in relation to the Company's affairs and activities. The Articles also provide that, subject to the provisions of the Companies Act 2006, the Board may purchase and maintain insurance for the benefit of Directors and officers of the Company against any liability which may incur in relation to anything done or omitted to be done, or alleged to be done or omitted to be done, as a Director or officer. The Company has taken out Directors' and Officers' Liability insurance, which covers the Directors and Officers of the Company. Apart from this, there are no third-party indemnity provisions in place for the Directors.

## Share capital

Full details of the Company's issued share capital are provided in note 10 to the financial statements on page 44. Details of the voting rights in the Company's shares as at the date of this report are also given in note 6 to the Notice of Annual General Meeting on page 53.

The ordinary shares carry the right to receive dividends and have one voting right per share. There are no restrictions on the voting rights of the ordinary shares or any shares which carry specific rights with regard to the control of the Company.

## Share repurchase
During the year ended 31 March 2021, the Company did not undertake any share buybacks.

The current authority to buy back shares will expire at the conclusion of the 2021 AGM. The Directors are seeking to renew this authority at the forthcoming AGM. In the event that the continuation vote to be proposed at the AGM is passed and the liquidation vote to be proposed at the subsequent GM is defeated the Board considers it to be in the best interests of shareholders to have the ability to utilise the share buy-back authorities to purchase shares trading at a significant or anomalous discount to net asset value, and to hold these in treasury for possible reissuance when the shares are trading at a premium.

## Share issues
No shares were issued during the year under review, or up to the close of business on 8 June 2021.

The current authority to issue new ordinary shares or sell ordinary shares from treasury for cash was granted at the 2020 AGM and will expire at the conclusion of the 2021 AGM. The Directors are proposing that this authority be renewed at the forthcoming AGM. Any share issues will be at or above NAV.

## Treasury Shares
As at 31 March 2021 and at the date of this report the Company held 1,818,808 ordinary shares in treasury (1.8% of the Company's issued share capital).

## Related Party Transactions
During the year to 31 March 2021 the Company paid brokerage commissions on securities trades of £43,206 (2020: £76,776) to G.research, LLC, an affiliate of the Investment Manager.

## Notifiable Interests in the Company's Voting Rights
As at 31 March 2021, the following shareholders held interests of 3% or more in the Company's ordinary issued share capital:

| Shareholder | Percentage of Total Voting Rights |
|---|---|
| Associated Capital Group, Inc | 27.36 |
| Investec Wealth and Investment Limited | 11.89 |
| JPMorgan Securities plc | 10.81 |
| 1607 Capital Partners | 10.41 |
| CG Asset Management | 8.04 |
| Rathbone Investment Management | 5.31 |
| Tilney Smith & Williamson Limited | 4.92 |
| Close Asset Management | 4.23 |
| Brewin Dolphin | 3.68 |
| Metage Capital Limited | 3.24 |
| Almitas Capital LLC | 3.05 |

On 14 April 2021 Investec Wealth and Investment Limited advised that its interest in the Company's issued ordinary share capital had decreased to 10.99%.

On 12 May 2021 JPMorgan Securities plc advised that its interest in the Company's issued ordinary shares had increased to 11.01%.

As at the date of this report the Company had not been notified of any other changes.

## Summary of the Investment Management Agreement
Under the terms of the Management Agreement between the Company and Gabelli Funds, LLC (the Agreement), the Manager is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The Manager is entitled to a management fee accrued daily but payable monthly in arrears equal to 1% per annum of the market capitalisation. The Agreement may be terminated by the Company or the Manager giving the other party at least 24 months' notice in writing, such notice not to be given earlier than the fourth anniversary of the Company's admission to trading on the London Stock Exchange.

## Appointment of the Manager
Following the defeat of the continuation vote at the 2020 AGM, the Board served protective notice on the Manager on 30 July 2020 in order to preserve shareholder value in the event that the Company is placed into members' voluntary liquidation.

Notwithstanding that the Board served protective notice on the Manager following the outcome of the 2020 continuation vote, it is the opinion of the Directors that the continuing appointment of Gabelli Funds, LLC as the Manager and AIFM on the terms disclosed above is in the best interests of shareholders as a whole, pending the outcome of the continuation and liquidation votes to be proposed at the AGM and GM respectively. The terms of the engagement are competitive and suitable to the investment mandate.

## Other third party service providers
In addition to the Investment Management Agreement the Company has engaged Maitland Administration Services Limited to act as the Company Secretary, Peel Hunt to act as Broker, State Street Bank and Trust Company to perform Accounting, Administration and Custodial services and Computershare Investment Services PLC to maintain the share register of the Company. The level of service provided by the service providers is reviewed annually and the Directors are of the opinion that the use of these service providers is in the best interests of the Company.

## Financial instruments
The financial risk management and internal control processes and policies, and exposure to the risks associated with financial instruments can be found in Note 11 to the financial statements.

## Disclosure of information under Listing Rule 9.8.4
Listing Rule 9.8.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is located. The disclosures required by Listing Rule 9.8.4 are not applicable to the Company.

# Directors' Report continued

### Change of Control
There are no significant agreements which take effect, alter, or terminate on change of control of the Company following a takeover. There are no agreements between the Company and the Directors for compensation for loss of office that occurs as a result of a takeover bid.

### Exercise of Voting Rights in Investee Companies
The exercise of voting rights attached to the Company's portfolio has been delegated to the Manager.

### Gabelli's approach to voting at shareholder meetings
During the year, the Manager voted on approximately 802 proposals at approximately 81 general meetings on behalf of the Company. At these meetings the Manager voted in favour of most resolutions, but voted against the recommendations of management on approximately 24 resolutions. Many of the votes against were in respect of resolutions relating to super-dilutive stock option plans, which were deemed by the Manager not to be in the best interests of shareholders.

### Going concern
The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence.

As noted in the Chairman's Statement on pages 3 and 4 and the viability statement on pages 13 and 14 and notwithstanding the defeat of the continuation vote at the 2020 AGM, the outcome of the continuation and liquidation votes to be proposed at the GM is uncertain. The nature of such votes represents material uncertainty in the context of assessing the prospects of the Company beyond 31 March 2021 and casts significant doubt on the ability of the Company to continue preparing its financial statements on a going concern basis of accounting. If at some point in the future the Directors conclude it is not appropriate to prepare the financial statements on a going concern basis of accounting then adjustments would be required to reclassify all assets as current, and a provision for further liabilities, including liquidation costs, would be made. In the Directors' opinion the impact of these adjustments on the financial statements is not expected to be significant.

### Articles of Association
The Articles of the Company can only be amended by special resolution at a general meeting of the shareholders. No amendments are proposed at the 2021 AGM.

### Information given in the Strategic Report
Information on dividends and likely future developments has not been given in the Directors' Report as equivalent disclosure has been made in the Strategic Report.

### Annual General Meeting ("AGM")
The Company's AGM will be held at 11.00 am on Monday, 12 July 2021 at the offices of Gabelli, 3 St. James's Place, London SW1A 1NP. The Notice of Meeting, is set out on pages 51 to 54.

**NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial advisor authorised under the Financial Services and Markets Act 2000.**

The business of this year's AGM consists of 10 resolutions. Resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 as special resolutions.

In light of the current COVID-19 situation, the AGM will be purely functional in nature. Arrangements will be made to ensure that the minimum number of shareholders required to form a quorum will be in attendance in order that the meeting may proceed and the business be concluded. The Board considers these arrangements to be in the best interests of shareholders given the current circumstances.

### Authority to Allot Shares (Resolution 8)
The Directors may only allot shares for cash if authorised to do so by shareholders in a general meeting. This resolution seeks to renew the authority of the Directors to allot ordinary shares for cash up to an aggregate nominal amount of £49,141 which is equivalent to 4,914,100 ordinary shares of 1 pence each, being approximately 5% of the current issued ordinary share capital (excluding treasury shares).

The Directors will use this authority when it is in the best interests of the Company to issue ordinary shares for cash. This authority will expire at the conclusion of the AGM to be held in 2022 unless renewed prior to that date.

### Disapplication of Pre-emption Rights: (Resolution 9)
The Directors are required by law to seek specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 9 authorises the Directors to allot new ordinary shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £49,141 which is equivalent to 4,914,100 ordinary shares of 1 pence each and represents approximately 5% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of Meeting.

This authority will expire at the conclusion of the AGM to be held in 2022 unless renewed prior to that date.

### Authority to Buy Back Ordinary Shares (Resolution 10)
The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares.

The Directors are seeking authority to purchase up to 14,732,500 ordinary shares (being approximately 14.99% of the number of shares in issue, excluding treasury shares, as at the date of this report, or, if less, 14.99% of the ordinary shares in issue immediately following the passing of resolution 10. This authority will expire at the conclusion of the AGM to be held in 2022 unless renewed prior to that date.

Any ordinary shares purchased may be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

## Recommendation.

Your Board has deliberated on the resolutions to be proposed at the AGM and has concluded that it is in the best interests of the Company and its shareholders as a whole that shareholders vote in favour of all resolutions. The Directors therefore recommend that shareholders vote in favour of all resolutions to be proposed at the AGM, as they intend to in respect of their own shareholdings, amounting in aggregate to 36,000 shares (representing less than 0.1 per cent of the issued share capital).

## Modern Slavery Act

As an investment vehicle that does not have any employees and does not provide goods or services in the normal course of business the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015.

## Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

## Streamlined Energy and Carbon Reporting

The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is therefore not disclosed in this Report.

## Disclosure of information to the auditors:

In accordance with the requirement and definitions under section 418 of the Companies Act 2006, each of the Directors at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors is unaware; and

- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

## Appointment of independent auditors

PricewaterhouseCoopers LLP, the independent external auditors of the Company, were appointed in 2015. Resolutions to reappoint PricewaterhouseCoopers LLP as the Company's auditors, and to authorise the Audit and Management Engagement Committee to determine their remuneration will be proposed at the forthcoming AGM.

The Directors' Report was approved by the Board on 9 June 2021.

On behalf of the Board

Peter Dicks
Chairman of the Board
9 June 2021

# Corporate Governance Report

This Report, which is part of the Directors' Report, sets out the role and activities of the Board and explains how the Company is governed.

## Role of the Board

The Board is collectively responsible for the success of the Company and is accountable to shareholders for the governance of the Company's affairs. It is also ultimately responsible for setting and executing the Company's strategic aims, subject to the Company's Articles and to such approval of the shareholders in general meeting as may be required from time to time. The Board also ensures that the necessary resources are in place to enable the Company's objectives to be met, in accordance with the Company's investment objective, and shareholder value maximized within a framework of proper controls.

As an investment company, the Company's day-to-day responsibilities are delegated to third parties. The Company has no employees and the Directors are all non-executive. The Company is committed to ensuring that high standards of corporate governance are maintained and the Board takes appropriate measures to ensure that the Company operates with due consideration to any codes of corporate governance that are applicable.

As a UK listed investment trust company, the Company's principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in 2018. However, as investment trust companies differ in many ways from other listed companies, the Association of Investment Companies produced its own guidelines, the AIC Code of Corporate Governance 2019 (the AIC Code) that addresses the governance issues relevant to investment companies and which meets the approval of the Financial Reporting Council.

The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at theaic.co.uk.

## Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of The UK Corporate Governance Code (the 'Code'). The preamble to the Code does, however, acknowledge that some provisions may have less relevance for investment companies and suggests that externally managed investment companies may wish to use the Association of Investment Companies' Corporate Governance Code to meet their obligations under the Code. With the exception of the limited items outlined below, the Company has complied with the provisions set out in the Code throughout the accounting period to 31 March 2021.

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors. [2.9 and 2.12]

- The Company considers annually whether there is a need for an internal audit function; however, the Directors do not believe that this would be an appropriate control for an investment company. [4.26]

- The Company has not established a Remuneration Committee as it does not have any employees or executive directors. The Board as a whole deals with remuneration matters. [5.32 – 5.41]

## The Board

The Board consists of three non-executive Directors and is chaired by Peter Dicks. The Directors biographical details, set out on page 15, demonstrate a breadth of investment, commercial and professional experience. All of the Board are regarded as independent of the Company's Manager, including the Chairman. This independence allows all of the Directors to sit on the Company's committees.

The provision of the UK Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors. The Board does not consider it necessary to nominate a senior independent director due to its size. However, the Chair of the Audit and Management Engagement Committee will act in that role and leads the evaluation of the performance of the Chairman.

The Board meets quarterly to review investment performance, financial reports and other reports of a strategic nature. Board or Committee meetings are also held on an ad hoc basis to consider particular issues as they arise.

There is an agreed procedure for Directors to take independent professional advice if necessary at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and there is compliance with applicable rules and regulations.

## Directors' Appointment, Retirement and Succession

The rules concerning the appointment, retirement and rotation of Directors are set out in the Directors' Report. The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

The Board believes that it has a reasonable balance of skills and experience. It recognises the value of the progressive refreshing of, and succession planning for, company boards. The Board's tenure and succession policy seeks to ensure that the Board is well balanced with the skills and experience necessary, in particular, to replace those lost through Director retirements.

## Directors must be able to demonstrate their commitment, in terms of time, to the Company

The Board is of the view that length of service does not itself impair a Director's ability to act independently or exercise good judgement, rather, a long serving Director can offer a perspective that adds value. However, when making a recommendation the Board will take into account the requirements of the UK Code, and the need to refresh the Board.

When a Director is appointed, they are offered an induction programme organised by the Manager. Thereafter, briefings will be provided on changes in applicable law and regulatory requirements and Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Directors' training needs are reviewed by the Chairman as part of the evaluation process.

### Performance Evaluation
The annual evaluation of the Board, its Committees and the individual Directors was carried out for the year ended 31 March 2021 by way of questionnaire. Mr Fitzalan Howard was responsible for the Chairman's evaluation. There were no significant actions arising from the evaluation process and it was agreed that the composition of the Board, at that time, reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its committees were functioning effectively.

### Directors' liability insurance
During the year the Company has maintained appropriate insurance cover in respect of legal action against the Directors.

### Meetings and Committees
The Board delegates certain responsibilities and functions to Committees. It has established an Audit and Management Engagement Committee and a Nomination Committee Both have terms of reference which set out their respective responsibilities. Copies are available for inspection on request at the Company's registered office, on the Company's website and at the AGM.

The table below details the number of scheduled Board and Committee meetings attended by each Director. During the year there were 6 scheduled Board meetings and two Audit and Management Engagement Committee meetings. The Nomination Committee did not meet during the year.

The Company has not established a remuneration committee because all of the Directors are independent non-executive directors of the Company.

### Attendance at scheduled meetings

| Director | Board Meetings Attended | Audit and Management Engagement Committee Meetings Attended |
|---|---|---|
| Peter Dicks | 6/6 | 2/2 |
| Richard Fitzalan Howard | 6/6 | 2/2 |
| Christopher Mills | 5/6 | 1/2 |
| Kasia Robinski[1] | 2/2 | 1/2 |

1 Ceased to be a Director on 30 July 2020

### Matters Reserved for the Board
The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings, including strategy and management, internal controls, strategic/policy considerations, transactions and finance.

### Audit and Management Engagement Committee
The Committee is Chaired by Richard Fitzalan Howard and consists of all of the Directors of the Company. Further details are provided in the report of the Audit and Management Engagement Committee on pages 23 to 25.

### Nomination Committee
The Committee is Chaired by Richard Fitzalan Howard and consists of all of the Directors.

The Nomination Committee will meet when summoned by the secretary of the Nomination Committee, at the request of any of its members. The Nomination Committee examines the effectiveness of the Board's nomination procedures and reviews the structure, size and composition of the Board. The Nomination Committee's other principal duties will be to make recommendations, in consultation with the Chair of the Audit and Management Engagement Committee, to the Board in respect of the membership of the Audit and Management Engagement Committee, and to make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of any specified terms of office.

### Internal controls
The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness to ensure that the Company's assets are safeguarded, proper accounting records are maintained and financial information is reliable.

Since the Company's investment management, custody of assets and all administrative services are provided by third parties, the Company's system of risk management and internal control focusses on monitoring the services provided by the service providers, including the operating controls established by them to ensure they meet the Company's business objectives. Such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (the principal risks are set out in the Strategic Report on page 12.) This process is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's' reliance on its service providers and their internal controls. The process has been in place during the year and accords with the guidance of the Financial Reporting Council.

The key components designed to provide effective internal control include:

- Contractual Agreements with the Manager and all other third party service providers. The Audit and Management Engagement Committee reviews performance levels and adherence to the agreements and reports to the Board at least annually following a formal evaluation of the overall level of service.

- Control Systems
  The Manager's system of risk management and internal control are monitored by the Manager's Compliance department, which provides a regular report to the Audit and Management Engagement Committee. Assurance reports from the Company's other key service providers on the effectiveness of their control environments are reviewed.

- Financial Reporting
  The Board receives regular financial reports which allow it to assess the Company's financial position. The management accounts and forecasts are reviewed at each Board meeting.

# Corporate Governance Report continued

- Investment Strategy
  Compliance with investment criteria is monitored at each meeting and the Board receives reports on investment performance at each meeting.

The Board confirms that it has reviewed, and is satisfied with, the effectiveness of the Company's system of internal control for the year ended 31 March 2021. No failings or weaknesses were identified which were determined to be significant during the course of the review.

## Shareholder relations

The Board aims to provide shareholders with a full understanding of the Company's activities and performance, and reports formally to shareholders through the Annual and Half Yearly Reports. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service.

During the year, the Chairman and Company's Broker held regular discussions with larger shareholders. The other Non-Executive Directors were kept fully informed of shareholder views. On a regular basis the Broker, who is independent of the Manager, is invited to present to the Board meetings. The Broker is able to offer shareholder meetings with the Chairman or the Directors as and when required to address any queries. The Directors may be contacted through the Company Secretary whose details are provided on page 50 or via the Company's website.

All shareholders are encouraged to attend and vote at the Company's Annual General Meeting. and any general meetings of the Company. The Board and representatives of the Manager will be available at the Annual General Meeting to discuss issues affecting the Company and to answer any questions.

The Notice of Annual General Meeting is set out on pages 51 to 54 and details the business of the meeting. Any item not of an entirely routine nature is explained in the Directors' Report on pages 18 and 19. The Notice of Annual General Meeting and any related papers are sent to shareholders at least 20 business days before the meeting. A separate shareholder circular convening a general meeting of the Company at which a continuation resolution and a resolution to place the Company into members' voluntary liquidation will be proposed will be sent to shareholders shortly.

Details of proxy voting on each resolution will be published on the Company's website shortly after the AGM and GM.

## Bribery Prevention Policy

The Company has zero tolerance towards bribery and is committed to carrying out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery seriously and its service providers are contacted in respect of their anti-bribery policies.

## Corporate Criminal Offence

The Company has zero tolerance for tax evasion. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also low. Accordingly, it seeks assurance from its service providers that effective policies and procedures are in place to prevent this.

On behalf of the Board

Peter Dicks
Chairman of the Board
9 June 2021

# Report of the Audit and Management Engagement Committee

Chair
Richard Fitzalan Howard

Chair of the Audit & Management Engagement Committee
Richard Fitzalan Howard

Members
Peter Dicks
Christopher Mills

The Company has established a separately chaired Audit and Management Engagement Committee (the "Committee") that meets at least twice a year and operates within written terms of reference. The Committee will meet prior to the Board meetings to approve the annual and half yearly results and the Company's Auditors are invited to attend meetings of the Audit Committee on a regular basis.

Given that the Board is small it is considered appropriate for all of the Directors to sit on the Committee, including the Chairman of the Company. The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. The Chair of the Committee, Richard Fitzalan Howard, has recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which the Company operates and is able to discharge its responsibilities effectively.

Key personnel of the Manager and other external advisors are invited to attend Committee meetings when appropriate. In addition, the Committee Chair maintains regular contact, meeting separately where required, with the external auditors, our service providers and the Chairman of the Board.

### Committee responsibilities

The principal role of the Committee is to examine the effectiveness of the Company's control systems and to review the half-yearly and annual reports. The Committee also considers internal controls, including portfolio management controls, compliance with legal requirements and the FCA's Listing Regime. It is also responsible for reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditors. The Committee's other principal duties are to receive information from the Manager, consider the terms of appointment of the Manager and AIFM, and annually to review that appointment and the terms of the Investment Management Agreement. The Chair of the Committee reports formally to the Board following each meeting.

A copy of the Committee's terms of reference is available on request from the Company Secretary.

### Non-Audit Services

The Committee has implemented a policy on the engagement of the external auditors to supply non-audit services whereby any potential engagements for non-audit services will be determined on a case-by-case basis.

No non-audit services were provided in the year under review.

### Committee activities

The Committee met twice during the year to consider, amongst other things, the audit plan for the financial statements for the year as well as to review the half-yearly financial statements and the Annual Report. In carrying out its review, the Committee considered whether, and subsequently advised the Board that, the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model, and strategy.

### Gabelli Value Plus+ Trust Plc

In relation to the Annual Report for the year ended 31 March 2021 the following significant issues were considered by the Audit Committee:

| Significant issue | How the issue was addressed |
|---|---|
| Valuation and ownership of the Company's investments | The Directors have appointed Gabelli Funds LLC., who outsource the administration and custodial services to State Street Bank and Trust Company, to perform the valuation of the assets of the Company in accordance with its responsibilities under the AIFMD rules. As required under the AIFMD rules, Gabelli Funds LLC has adopted a written valuation policy, which may be modified from time to time. Ownership of listed investments is verified by reconciliation to the Custodian's records and the Directors have received quarterly reports and an annual confirmation from the Depository who has responsibility for overseeing operations of the Company, including verification of ownership and valuation. |
| Recognition of income | Income received is accounted for in line with the Company's accounting policies, as set out on pages 38 and 39, and is reviewed by the Committee. |

# Report of the Audit and Management Engagement Committee continued

| Significant issue | How the issue was addressed |
|---|---|
| Compliance with Section 1158 of the Corporation Tax Act 2010 | The Committee regularly considers the controls in place to ensure the regulations for ensuring investment trust status are observed at all times, including receiving supporting documentation from Gabelli Funds LLC and State Street Bank and Trust Company, the Company's administrator and custodian. |
| Material Uncertainty | The Committee considered the impact on the financial statements of the Board's recommendation that shareholders vote against the continuation of the Company and vote in favour of its liquidation at the forthcoming GM. The outcome of these votes is by no means certain. This represents a material uncertainty which may cast significant doubt on the Company's future and its ability to continue as a going concern.<br><br>Notwithstanding this, the Committee recommended to the Board that the financial statements continue to be prepared on a going concern basis. |
| Going Concern | The Committee considered the appropriateness of continuing to prepare the financial statements on a going concern basis. Notwithstanding the material uncertainty surrounding the outcome of the continuation and liquidation votes to be proposed at the GM, the Committee recommended to the Board that the financial statements continue to be prepared on a going concern basis. In coming to this conclusion the Committee came to the view that, as the liquidation vote was contingent on shareholder approval and the Company is considered solvent in all other regards, there is no irrevocable path to liquidation and thus going concern remained the most appropriate basis for preparation. In arriving at its recommendation on the basis of preparation, the Committee also considered the financial position of the Company, its cashflow and liquidity position. If at some point in the future the Directors conclude it is not appropriate to prepare the financial statements on a going concern basis of accounting, then adjustments would be required to reclassify all assets as current, and a provision for further liabilities, including liquidation costs, would be made. In the Directors' opinion the impact of these adjustments on the financial statements is not expected to be significant. |
| Maintaining internal controls | The Committee receives regular reports on internal controls from State Street Bank and Trust Company and Gabelli Funds and has access to the relevant personnel of both State Street and Gabelli Funds who have a responsibility for risk management and internal audit. |
| Investment management fee | The calculation of the Investment Management fee payable to Gabelli Funds is reviewed by the Committee before being approved by the Board. |
| Resource Risk | The Company has no employees and its day to day activities are delegated to third parties. The Board monitors the performance of third party suppliers on an ongoing basis |

| Significant issue | How the issue was addressed |
| --- | --- |
| COVID-19 | The Board has reviewed the risks arising from the ongoing COVID-19 pandemic. The pandemic initially affected the value of investments and created uncertainty around levels of future revenue from dividends. With the economic stimulus provided by governments and the widespread availability of a number of vaccines, the risks faced by the Company as a result of the pandemic have stabilised. The Company's service providers have implemented business continuity plans to ensure their services remain as unaffected as possible. |

### External audit

The Committee conducted a review of PricewaterhouseCoopers LLP's independence and audit process effectiveness as part of its review of the financial reporting for the year ended 31 March 2021. In considering the effectiveness, the Committee reviewed the audit plan, discussing the materiality level and identification of key financial reporting risks. These included the risk of fraud in revenue recognition, management override of controls and the going concern risk, as well as other risks relating to investment valuations, incorrect taxation, inaccurate management fees, and incorrect related parties' disclosures. The Committee reviewed the auditor's findings in relation to the Company's assumptions regarding the key audit risks. The Committee also considered the execution of the audit against the plan, as well as the auditor's reporting to the Committee in respect of the financial statements for the twelve month period. Based on this, the Committee was satisfied that the quality of the external audit process had been good, with appropriate focus and challenge on the key audit risks.

The Committee advises the Board on the appointment of the external auditors and determines the Auditors' remuneration. It keeps under review the cost effectiveness, and also the independence and objectivity of the external auditors, mindful of controls in place to ensure the latter.

The Committee was satisfied that the objectivity and independence of the auditors was not impaired during the year. Accordingly, the Committee recommended to the Board that shareholder approval be sought at the forthcoming AGM for the reappointment of PricewaterhouseCoopers LLP as the Company's auditors for the ensuing financial year, and for the Committee to determine the auditor's remuneration.

This is the sixth year in which PricewaterhouseCoopers LLP has conducted the audit. Pricewaterhouse Coopers was appointed in 2015 and has acted as auditor since the Company's first financial year end, 31 March 2016. As a Public Interest Entity, listed on the London Stock Exchange, the Company is subject to the mandatory auditors rotation requirements of the European Union. The Company will be required to put the external audit out to tender at least every ten years and change Auditors at least every twenty years. Under the legislation the Company will be required to put the audit out to tender, at the latest, following the 2025 year end.

The Auditors are required to rotate partners every five years. Colleen Local was the audit partner from 2016 to 2020. A new audit partner, Kevin Rollo, has been appointed for the current and subsequent financial years.

### Internal Audit function

As the Company has no employees and its operational functions are undertaken by third parties, the Committee does not consider it necessary for the Company to establish its own internal audit function. Instead, the Committee examines internal control reports received from its principal service providers to satisfy itself as to the controls in place. The internal controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable. The need for an internal audit function is reviewed annually by the Committee.

### Whistleblowing, anti-bribery and corruption

The Company has no employees; therefore no policies relating to whistleblowing, anti-bribery, or corruption are considered necessary. Notwithstanding this, the Company seeks at all times to conduct its business with the highest standards of integrity and honesty. Gabelli Funds, LLC is committed to complying with all applicable legal and regulatory requirements relating to accounting and auditing controls and procedures. Staff members of Gabelli Funds, LLC are encouraged to report complaints and concerns regarding accounting or auditing matters through available channels described in the Manager's Whistleblower Policy.

Richard Fitzalan Howard
Chairman of the Audit & Management Engagement Committee
9 June 2021

# Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 March 2021, which has been prepared in accordance with the requirements of Sections 420-422 of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the Regulations). The law requires the Auditors to audit certain of the disclosures provided. Where disclosures have been audited this is indicated.

As the Company has no employees and all of the Directors are non-executive, the Board has not established a separate Remuneration Committee. The Board as a whole fulfills the function of the remuneration committee and may amend the level of remuneration paid to individual Directors within the parameters of the Remuneration Policy.

The Directors' Remuneration Report is subject to an annual advisory vote. An ordinary resolution to approve the report will be put to shareholders at the forthcoming AGM.

## Directors' Remuneration Policy

The Directors' Remuneration Policy is, by law, subject to a triennial binding vote. The policy was last approved at the AGM held in 2019 and a resolution to approve this policy will next be put to shareholders at the 2022 AGM. It is the Directors' intention that the policy on remuneration, as provided in the table, will continue to apply for the next financial year to 31 March 2022.

## Policy Table

| | |
|---|---|
| Fixed fee element | Remuneration consists of a fixed fee each year and the Directors of the Company are entitled to such rates of annual fees as the Board at its discretion determines. |
| Description | Current levels of fixed annual fee (with effect from 1 April 2018)<br>Chairman: £35,000<br>Director: £25,000<br>Additional fee for the Chairman of the following committees:<br>Audit and Management Engagement: £7,500<br>Nomination: £2,500<br>All reasonable expenses to be reimbursed. |
| Discretionary element | In accordance with the Company's Articles of Association if, by arrangement with the Board or any committee authorised by the Board, any Director performs any special duties or services outside of his ordinary duties as a Director he may be paid such reasonable additional remuneration as the Board, or any committee authorised by the Board, may from time to time determine. |
| Taxable benefits | In accordance with the Company's Articles of Association the Directors are also entitled to be reimbursed for out-of-pocket expenses and any other reasonable expenses incurred in the proper performance of their duties. Such expenses are treated as a benefit in kind and are subject to tax and national insurance. |
| Purpose and link to strategy | Directors' fees are set to:<br>• be sufficient to attract and retain individuals of a high calibre with suitable knowledge and experience to promote the long-term success of the Company;<br>• reflect the time spent by the Directors on the Company's affairs; and<br>• reflect the responsibilities borne by the Directors. |
| Operation | Fees payable to the Directors will be reviewed annually. A number of factors will be considered to ensure that the fees are set at an appropriate level. These will include the average rate of inflation during the period since the last fee increase, the level of Directors' remuneration for other investment trusts of a similar size, the complexity of the Directors' responsibilities and recognise the more onerous roles of the Chairman of the Board and the Chairman of the Audit and Management Engagement Committee through the payment of higher fees. |
| Maximum | Total remuneration paid to the non-executive Directors is subject to an annual aggregate limit of £300,000 in accordance with the Company's Articles of Association. Any changes to this limit will require Shareholder approval by ordinary resolution. |

There are no performance related elements to the Directors' fees.

Directors do not receive bonus payments or pension contributions from the Company or any options to acquire shares. There is no entitlement to exit payments or compensation for loss of office. None of the Directors has a service contract with the Company, and their terms of appointment are set out in a letter provided when they join the Board. These letters are available for inspection at the Company's registered office.

There were no changes to Directors' remuneration during the period to 31 March 2021. The fees paid to Directors on an annual basis during the year to 31 March 2021 were as shown in the adjoining Policy Table.

Having reviewed the current level of remuneration payable to Directors, in accordance with the Remuneration Policy, it has been determined that there will be no change to the current fees for the year ending 31 March 2022.

## Consideration of Shareholders' Views

In accordance with the requirements of the Companies Act 2006 shareholder approval for the remuneration report will be sought at the 2021 AGM. Shareholders will have the opportunity to express their views and raise any queries on the policy at this meeting.

At the AGM held on 30 July 2020, of the votes cast, 100% were in favour of (or granted discretion to the Chairman who voted in favour of) the resolution to approve the Directors' Remuneration Report.

Details of voting on the Remuneration Report at the 2021 AGM will be provided in the annual report for the year ending 31 March 2022.

### Directors' Emoluments (audited)

| Fees | Year to 31 March 2021 £ | Change over prior year % | Year to 31 March 2020 £ |
|---|---|---|---|
| Rudolf Bohli[1] | – | (100) | 9,167 |
| Jonathan Davie[2] | – | (100) | 26,494 |
| Peter Dicks[3] | 35,000 | 158 | 13,551 |
| Richard Fitzalan Howard[4] | 32,529 | 22 | 26,667 |
| Christopher Mills | 25,000 | – | 25,000 |
| Kasia Robinski[5] | 10,708 | (67) | 32,500 |
| **Total** | **103,237** | **(23)** | **133,379** |

1 Ceased to be a Director on 31 July 2019
2 Succeeded Andrew Bell as Chairman on 14 August 2018. Ceased to be a Director on 12 November 2019
3 Appointed as Director and Chairman on 12 November 2019
4 Succeeded Rudolph Bohli as Chair of the Nomination Committee on 31 July 2019. Succeeded Kasia Robinski as Chair of the Audit and Management Engagement Committee on 30 July 2020
5 Ceased to be a Director on 30 July 2020

As the Company has no employees the table above sets out the total remuneration costs paid by the Company.

No discretionary payments were made during the year to 31 March 2021.

### Directors' Interests (audited)

There are no requirements for the Directors to own shares in the Company.

The interests of the Directors (including their connected persons) in the Company's share capital are as follows:

| | Ordinary shares of £0.01 | |
|---|---|---|
| Directors | As at 31 March 2021 | As at 31 March 2020 |
| Rudolf Bohli[1] | n/a | n/a |
| Jonathan Davie[2] | n/a | n/a |
| Peter Dicks[3] | – | – |
| Richard Fitzalan Howard | 36,000 | 36,000 |
| Christopher Mills | – | – |
| Kasia Robinski[4] | n/a | 150,000 |

1 Ceased to be a Director on 31 July 2019
2 Ceased to be a Director on 12 November 2019
3 Appointed on 12 November 2019
4 Ceased to be a Director on 30 July 2020

No changes in the above interests occurred between 31 March 2021 and the date of this report. None of the Directors has been granted, or exercised, any options or rights to subscribe for the Ordinary Shares of the Company.

### Performance

The Company does not have a specific benchmark against which performance is measured. A graph showing the Company's NAV performance measured by total shareholder return compared with the S&P 500 and the Russell 3000 Value since IPO can be found on page 2. These are considered the closest broad indices against which to measure the Company's performance.

### Relative Importance of Spend on Remuneration

The table below shows the proportion of the Company's income spent on Directors' remuneration in comparison with investment management fees paid, dividends paid and share buy backs.

| | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 |
|---|---|---|---|---|
| Directors' remuneration | 103 | 133 | 145 | 145 |
| Investment management fees | 303 | 310 | 312 | 323 |
| Dividends to Shareholders | 1,081 | 744 | 748 | 599 |
| Share buybacks | – | 1,814 | 307 | 194 |

The Directors' Remuneration Report was approved by the Board on 9 June 2021 and was signed on its behalf by:

Peter Dicks
Chairman of the Board
9 June 2021

# Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in Board of Directors section confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Peter Dicks
Chairman of the Board
9 June 2021

# Independent Auditors' Report to the Members of Gabelli Value Plus+ Trust Plc

## Report on the audit of the financial statements

### Opinion

In our opinion, Gabelli Value Plus+ Trust Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2021 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1(a) to the financial statements concerning the company's ability to continue as a going concern. At a General Meeting (GM) to be held on 12 July 2021, a continuation vote will be held whereby shareholders will vote for or against the continuation of the company. A further resolution to place the company into members' voluntary liquidation is also to be proposed at the GM. A vote of 50% plus 1 of votes cast in favour at the GM is required for continuation. A vote of 75% plus 1 of votes cast in favour of members' voluntary liquidation is required for the resolution to be passed. These conditions, along with the other matters explained in note 1(a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the governing document of the company to understand the terms of the continuation vote;
- Obtaining the directors' going concern assessment and challenging them on the company's ability to continue to adopt the going concern basis of accounting, despite the continuation vote; and,
- Reviewing the financial statements to confirm that appropriate disclosures have been made relating to the impact of the continuation vote on the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 1(a) to the financial statements, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the directors' identification in the financial statements of any other material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

# Independent Auditors' Report to the Members of Gabelli Value Plus+ Trust Plc continued

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Our audit approach

### Overview

We have tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

### Overview


- The Company is a standalone Investment Trust Company and engages Gabelli Funds, LLC (the "Manager") to manage its assets. We conducted our audit of the Financial Statements using information from State Street Global Services (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions. We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

- Material uncertainty related to going concern
- Valuation and existence of investments
- Accuracy, occurrence and completeness of dividend income
- Consideration of the impact of COVID-19

- Overall materiality: £1,656,540 (2020: £1,012,700) based on 1% of net assets.
- Performance materiality: £1,242,405.

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation and existence of investments**<br>The Company's investments were £90m as at 31 March 2020 and have increased to £130m as at 31 March 2021. The investment portfolio at year-end consisted of listed equity investments. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements. We also focused on the accounting policy for the valuation of investments as set out in the accounting standards as incorrect application could indicate a misstatement in the valuation of investments.' | We assessed the accounting policy for the valuation of investments for compliance with accounting standards and performed testing to check that investments are accounted for in accordance with this stated accounting policy. We noted no issues to report.<br><br>We tested the valuation of the investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material issues were identified. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Accuracy, occurrence and completeness of dividend income<br>The Company's dividend income was £2.1m as at 31 March 2020 and has increased to £2.5m as at 31 March 2021. We focused on the accuracy, occurrence and completeness of dividend income as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition. | We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We tested the occurrence and accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. We also recalculated the dividend income value by multiplying the investment holding and the dividend rate on the ex-dividend date, and compared the results to the underlying records, we noted no issues. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investments during the year. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by confirming reasons behind dividend distributions. No material issues were identified. |
| Consideration of the impact of COVID-19<br>The COVID-19 pandemic has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets. The pandemic impacted global capital markets significantly in March 2020. The Company's net assets were £101m at 31 March 2020 and have increased to £166m at 31 March 2021. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic. | We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by:<br>• Evaluating the Company's risk assessment and considering whether it addresses the relevant threats presented by COVID-19.<br>• Evaluating management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements.<br>We obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report by:<br>• We obtained evidence to support the key assumptions and forecasts' driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity as well their review of the operational resilience of the Company and oversight of key third-party service providers.<br>We assessed the disclosures presented in the Annual Report in relation to COVID-19 by:<br>• Reading the other information, including the Principal Risks and Viability Statement set out in the Strategic Report, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report. |

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We conducted our audit of the Financial Statements using information from State Street Global Services (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions. We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

# Independent Auditors' Report to the Members of Gabelli Value Plus+ Trust Plc continued

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| **Overall materiality** | £1,656,540 (2020: £1,012,700). |
| **How we determined it** | 1% of net assets. |
| **Rationale for benchmark applied** | We believe that net assets are the primary measure used by shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark for investment trust audits. |

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £1,242,405 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £82,827 (2020: £50,635) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# Independent Auditors' Report to the Members of Gabelli Value Plus+ Trust Plc continued

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing rules and the breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Manager and the Audit and Management Engagement Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing the Company's compliance with Listing rules and section 1158 of the Corporation Tax Act 2010 in the current year;
- Identifying and testing journal entries, specifically all manual journal entries posted by the administrator during the preparation of the Financial Statements;
- Reviewing relevant financial information for material accounting estimates and seeking both corroborative and contradictory independent evidence to challenge and assess the validity of any such estimates found; and,
- Reviewing relevant meeting minutes, including those of the Audit and Management Engagement Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 31 March 2015 to audit the financial statements for the year ended 31 March 2016 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 31 March 2016 to 31 March 2021.

Kevin Rollo (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 June 2021

# Statement of Comprehensive Income

| | Note | Year ended 31 March 2021 Revenue £000 | Capital £000 | Total £000 | Year ended 31 March 2020 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| Dividend income | | 2,497 | – | 2,497 | 2,119 | – | 2,119 |
| Interest on deposits | | – | – | – | 19 | – | 19 |
| Other income | | 3 | – | 3 | – | – | - |
| **Total dividends and interest** | | **2,500** | **–** | **2,500** | **2,138** | **–** | **2,138** |
| Net realised and unrealised gains/ (losses) on investments | 2 | – | 67,586 | 67,586 | – | (33,893) | (33,893) |
| Net realised and unrealised currency (losses)/gains | | (5) | (2,522) | (2,527) | 5 | 76 | 81 |
| Investment management fee | 3 | (303) | (890) | (1,193) | (310) | (948) | (1,258) |
| Other expenses | 3 | (543) | (11) | (554) | (474) | (9) | (483) |
| **Net return on ordinary activities before finance costs and taxation** | | **1,649** | **64,163** | **65,812** | **1,359** | **(34,774)** | **(33,415)** |
| Interest expense and similar charges | | (1) | – | (1) | – | – | – |
| **Net return on ordinary activities before taxation** | | **1,648** | **64,163** | **65,811** | **1,359** | **(34,774)** | **(33,415)** |
| Taxation on ordinary activities | 5 | (346) | – | (346) | (281) | – | (281) |
| **Net returns attributable to shareholders** | | **1,302** | **64,163** | **65,465** | **1,078** | **(34,774)** | **(33,696)** |
| **Net returns per ordinary share - basic and diluted** | 6 | **1.32p** | **65.28p** | **66.60p** | **1.09p** | **(35.25)p** | **(34.16)p** |

The total columns of this statement are the profit and loss accounts of the Company for the respective periods.

The revenue and capital items are presented in accordance with the AIC's Statement of Recommended Practice ('SORP') 2014, and updated 2019.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year ended 31 March 2021 (2020: none).

The notes on pages 38 to 47 form part of these financial statements.

# Statement of Changes in Equity

| Year ended 31 March 2021 | Note | Called up Share Capital £000 | Special Distributable Reserve* £000 | Capital Reserve £000 | Revenue Reserve* £000 | Total £000 |
|---|---|---|---|---|---|---|
| Net assets as at 1 April 2020 | | 1,001 | 95,885 | 3,106 | 1,278 | 101,270 |
| Realised gains on investments at fair value | 2 | – | – | 12,733 | – | 12,733 |
| Unrealised gains on investments at fair value | 2 | – | – | 54,853 | – | 54,853 |
| Net realised and unrealised currency losses | | – | – | (2,522) | – | (2,522) |
| Capital expenses | 3 | – | – | (901) | – | (901) |
| Transfer to revenue reserve for the year | | – | – | – | 1,302 | 1,302 |
| Dividends paid | 4 | – | – | – | (1,081) | (1,081) |
| Net assets as at 31 March 2021 | 6 | 1,001 | 95,885 | 67,269 | 1,499 | 165,654 |

| Year ended 31 March 2020 | | | | | | |
|---|---|---|---|---|---|---|
| Net assets as at 1 April 2019 | | 1,001 | 97,699 | 37,880 | 944 | 137,524 |
| Realised gains on investments at fair value | 2 | – | – | 4,943 | – | 4,943 |
| Unrealised losses on investments at fair value | 2 | – | – | (38,836) | – | (38,836) |
| Net realised and unrealised currency gains | | – | – | 76 | – | 76 |
| Capital expenses | 3 | – | – | (957) | – | (957) |
| Ordinary shares bought back into treasury | 10 | – | (1,814) | – | – | (1,814) |
| Transfer to revenue reserve for the year | | – | – | – | 1,078 | 1,078 |
| Dividends paid | 4 | – | – | – | (744) | (744) |
| Net assets as at 31 March 2020 | 6 | 1,001 | 95,885 | 3,106 | 1,278 | 101,270 |

* These reserves are distributable.

The notes on pages 38 to 47 form part of these financial statements.

# Statement of Financial Position

| | | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|---|
| | Note | £000 | £000 | £000 | £000 |
| **Fixed assets** | | | | | |
| Investments held at fair value through profit or loss | 2 | | 129,559 | | 89,892 |
| **Current assets** | | | | | |
| Cash and cash equivalents | 7 | 37,862 | | 12,372 | |
| Receivables | 8 | 808 | | 231 | |
| | | 38,670 | | 12,603 | |
| **Current liabilities** | | | | | |
| Payables | 9 | (2,575) | | (1,225) | |
| **Net current assets** | | | 36,095 | | 11,378 |
| **Net assets** | | | 165,654 | | 101,270 |
| **Capital and reserves** | | | | | |
| Called-up share capital | 10 | 1,001 | | 1,001 | |
| Special distributable reserve* | | 95,885 | | 95,885 | |
| Capital reserve | | 67,269 | | 3,106 | |
| Revenue reserve* | | 1,499 | | 1,278 | |
| **Total shareholders' funds** | | | 165,654 | | 101,270 |
| **Net asset value per ordinary share** | 6 | | 168.5p | | 103.0p |

* These reserves are distributable.

Gabelli Value Plus+ Trust Plc is registered in England and Wales under Company number 9361576.

The financial statements on pages 35 to 47 were approved by the Board of Directors on 9 June 2021 and signed on its behalf by

Peter Dicks
Chairman

The notes on pages 38 to 47 form part of these financial statements.

# Notes to the Financial Statements

## 1 Accounting policies

(a) Basis of preparation – For the year ended 31 March 2021, the Company applied FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, which forms part of the revised Generally Accepted Accounting Practice (UK GAAP) issued by the Financial Reporting Council ('FRC') in 2015.

As noted in the Company's Notice of Annual Results announcement, released on 9 June 2021, the Board of Directors is recommending that shareholders vote against the resolution to approve the continuation of the Company and that they vote in favour of the resolution to place the Company into members' voluntary liquidation, both of which are to be proposed at the general meeting which will follow the AGM. These decisions were reached after consultation with a range of shareholders over the period since the defeat of the continuation vote at the 2020 AGM. A vote of 50% plus 1 of votes cast in favour is required for continuation. A vote of 75% plus 1 of votes cast in favour of members' voluntary liquidation is required for the resolution to be passed.

The voting will be such that if the relevant continuation resolution is not passed and the liquidation resolution is passed at the general meeting which follows the AGM, the Company will be placed into members' voluntary liquidation with effect from the conclusion of the GM.

As such, the outcome of the continuation and liquidation votes at the GM on 12 July 2021 represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. In arriving at the decision on the basis of preparation, the Board has considered the financial position of the Company, its cashflow and liquidity position as well as the uncertainty surrounding the outcome of the continuation and liquidation votes. The Board further concluded that, as the liquidation vote was contingent on shareholder approval and the Company is considered solvent in all other regards, there is no irrevocable path to liquidation and thus going concern remained the most appropriate basis for preparation.

If it were not appropriate to prepare the financial statements on a going concern basis of accounting then adjustments would be required to reclassify all assets as current, and a provision for further liabilities, including liquidation costs, would be made. In the Directors' opinion the impact of these adjustments on the financial statements is not expected to be significant.

These financial statements have been prepared on a going concern basis in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, FRS 102 issued by the FRC in September 2015, the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (SORP) issued by the AIC in November 2014 and updated in October 2019 and Companies Act 2006.

Statement of estimation uncertainty – In the application of the Company's accounting policies, the Investment Manager is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. There have been no significant judgements, estimates, or assumptions for the year.

Cash flow statement - The statement of cash flows has not been included in the financial statements as the Company meets the conditions set out in paragraph 7.1A of FRS 102, which state that a statement of cashflows is not required to be provided by investment funds that meet all of the following conditions:

(i) substantially all of the entity's investments are highly liquid;

(ii) substantially all of the entity's investments are carried at market value; and

(iii) the entity provides a statement of changes in net assets.

(b) Income recognition – Revenue from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. Franked investment income is stated net of the relevant tax credit. Other income includes any taxes deducted at source. Special dividends are credited to capital or revenue, according to the circumstances. Scrip dividends are treated as unfranked investment income; any excess in value of the shares received over the amount of the cash dividend is recognised as a capital item in the Statement of Comprehensive Income.

(c) Expenses – The investment management fees are allocated seventy-five percent to capital and twenty-five percent to revenue in the Statement of Comprehensive Income in accordance with the Board's expected long term split of returns in the form of capital gains and revenue, respectively. Interest receivable and payable and management expenses are treated on an accruals basis. All other expenses are charged to revenue except where they directly relate to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds.

(d) Cash and cash equivalents – Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

## 1 Accounting policies continued

**(e) Investments** – Investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are valued at fair value. Movements in the fair value of investments and gains/losses on the sale of investments are taken to the Statement of Comprehensive Income as capital items. The Company's investments are classified as held at fair value through profit or loss in accordance with Section 11 and Section 12 of FRS 102.

The Company's listed investments are fair valued using the closing bid price of the valuation date.

**(f) Foreign currency** – Foreign currencies are translated at the rates of exchange prevailing on the year end date. Revenue received/receivable and expenses paid/payable in foreign currencies are translated at the rates of exchange prevailing at the transaction date.

**(g) Fair value** – All financial assets and liabilities are recognised in the financial statements at fair value.

**(h) Dividends payable** – Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until approved by the shareholders in the general meeting.

**(i) Capital reserve** – Capital distributions received, realised gains or losses on investments that are readily convertible to cash, and capital expenses are transferred to the capital reserve. Share buybacks are funded through the capital reserve, with details of buybacks disclosed in note 10.

**(j) Taxation** – The tax effect of different items of income/gains and expenditure/losses is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the Company's effective rate of tax. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the year end date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

**(k) Functional and presentation currency** – The functional and presentation currency of the Company is GBP sterling.

**(l) Alternative Performance Measures ("APM's")**
The Company's APMs are set out in the glossary on pages 48 and 49.

## 2 Investments held at fair value through profit or loss

| | Year ended 31 March 2021 £000 | Year ended 31 March 2020 £000 |
|---|---|---|
| Opening book cost | 120,116 | 128,532 |
| Opening investment holding (losses)/gains | (30,224) | 8,612 |
| Opening market value | 89,892 | 137,144 |
| Additions at cost | 71,739 | 60,402 |
| Disposals proceeds received | (99,658) | (73,761) |
| Gains/(losses) on investments | 67,586 | (33,893) |
| **Market value of investments** | **129,559** | **89,892** |
| | | |
| Closing book cost | 104,930 | 120,116 |
| Closing investment holding gains/(losses) | 24,629 | (30,224) |
| **Closing market value** | **129,559** | **89,892** |

The company received £99,658,000 (2020: £73,761,000) from investments sold in the year. The book cost of these investments when they were purchased was £86,925,000 (2020: £68,818,000).

# Notes to the Financial Statements continued

## 2 Investments at fair value through profit or loss continued

### Fair value hierarchy

The Company has adopted the 'Amendments to FRS 102 – Fair value hierarchy disclosure', where an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable, i.e., developed using market data, for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable, i.e., for which market data is unavailable, for the asset or liability.

The financial assets measured at fair value through profit or loss in the financial statements are grouped into the fair value hierarchy as follows:

| | As at 31 March 2021 | | | |
|---|---|---|---|---|
| | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
| **Financial assets at fair value through profit or loss** | | | | |
| Quoted equities | 129,517 | – | – | 129,517 |
| Registered Investment Companies | – | 42 | – | 42 |
| **Net fair value** | 129,517 | 42 | – | 129,559 |

| | As at 31 March 2020 | | | |
|---|---|---|---|---|
| | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
| **Financial assets at fair value through profit or loss** | | | | |
| Quoted equities | 89,892 | – | – | 89,892 |
| **Net fair value** | 89,892 | – | – | 89,892 |

### Net realised and unrealised gains/(losses) on investments

| | Year ended 31 March 2021 £000 | Year ended 31 March 2020 £000 |
|---|---|---|
| Realised gains on investments | 12,733 | 4,943 |
| Movement in unrealised gains/(losses) on investments | 54,853 | (38,836) |
| **Net realised and unrealised gains/(losses) on investments** | 67,586 | (33,893) |

### Transaction costs

During the year, commissions and other expenses were incurred in acquiring or disposing of investments classified at fair value through profit or loss. G.research, LLC, an affiliate of the investment manager, remained the largest recipient of these. These have been expensed through capital and are within gains/(losses) in the Statement of Comprehensive Income. The total costs were as follows:

| | Year ended 31 March 2021 £000 | Year ended 31 March 2020 £000 |
|---|---|---|
| Purchases | 47 | 53 |
| Sales | 56 | 41 |
| **Total** | 103 | 94 |

## 3 Management fees and other expenses

| | Year ended 31 March 2021 £000 | Year ended 31 March 2020 £000 |
|---|---|---|
| **Revenue expenses** | | |
| Directors' remuneration | 103 | 88 |
| Accounting fees | 57 | 54 |
| Custody fees | 15 | 8 |
| Registrar – Computershare | 26 | 17 |
| Marketing and advertisement | – | 13 |
| Company secretary fees | 62 | 77 |
| Broker retainer | 36 | 57 |
| Auditors' remuneration (inclusive of VAT) | 41 | 39 |
| Directors' insurance | 11 | 11 |
| Miscellaneous | 192 | 110 |
| **Sub total** | **543** | **474** |
| **Management Fees** | | |
| Manager fee – Revenue | 303 | 310 |
| Manager fee – Capital | 890 | 948 |
| **Total** | **1,193** | **1,258** |
| **Capital expenses** | | |
| Transaction charges | 11 | 9 |
| **Total** | **11** | **9** |

Details of the contract between the Company and Gabelli Funds, LLC for provision of investment management services are given in the Directors' report on page 17.

## 4 Dividends

| | Year ended 31 March 2021 £000 | Year ended 31 March 2020 £000 |
|---|---|---|
| Final dividend | 983 | 744 |
| Interim dividend | 98 | – |
| **Total** | **1,081** | **744** |

# Notes to the Financial Statements continued

## 5 Taxation on ordinary activities

| Analysis of the charge in the year | Year ended 31 March 2021 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|
| Foreign withholding taxes on dividends | 348 | – | 348 |
| Foreign withholding taxes on REIT | (2) | – | (2) |
| **Total** | **346** | **–** | **346** |

| Analysis of the charge in the year | Year ended 31 March 2020 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|
| Foreign withholding taxes on dividends | 272 | – | 272 |
| Foreign withholding taxes on REIT | 9 | – | 9 |
| **Total** | **281** | **–** | **281** |

The effective corporation tax rate was 19% (2020: 19%). The tax charge for the year differs from (2020: differs from) the charge resulting from applying the standard rate of corporation tax in the UK for an investment trust company. The differences are explained below.

| Factors affecting the tax charge for the year | Year ended 31 March 2021 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|
| Net return before taxation | 1,648 | 64,163 | 65,811 |
| UK Corporation tax at effective rate of 19% | 313 | 12,191 | 12,504 |
| **Effects of:** | | | |
| Gains on investments held at fair value through profit or loss | – | (12,841) | (12,841) |
| Expenses not allowable for tax purposes | – | 2 | 2 |
| Losses on foreign currencies | – | 479 | 479 |
| Non taxable overseas dividends | (473) | – | (473) |
| Foreign withholding taxes on dividends | 346 | – | 346 |
| Increase in excess management and overdraft expenses | 165 | 169 | 334 |
| Decrease in excess management and overdraft expenses: adjustment in respect of prior years | (5) | – | (5) |
| **Total** | **346** | **–** | **346** |

| Factors affecting the tax charge for the year | Year ended 31 March 2020 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|
| Net return before taxation | 1,359 | (34,774) | (33,415) |
| UK Corporation tax at effective rate of 19% | 258 | (6,607) | (6,349) |
| **Effects of:** | | | |
| Losses on investments held at fair value through profit or loss | – | 6,439 | 6,439 |
| Overseas tax expensed | (1) | – | (1) |
| Expenses not allowable for tax purposes | – | 2 | 2 |
| Gains on foreign currencies | – | (14) | (14) |
| Non taxable overseas dividends | (393) | – | (393) |
| Foreign withholding taxes on dividends | 281 | – | 281 |
| Increase in excess management and overdraft expenses | 136 | 180 | 316 |
| **Total** | **281** | **–** | **281** |

### 5 Taxation on ordinary activities continued

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £1,894,467 (2020: £1,560,390) in relation to surplus tax reliefs. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

### 6 Return per ordinary share and net asset value

The return and net asset value per ordinary share are calculated with reference to the following amounts:

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| **Revenue return** | | |
| Revenue return attributable to ordinary shareholders | £1,302,000 | £1,078,000 |
| Weighted average number of shares in issue during year | 98,282,193 | 98,650,562 |
| **Total revenue return per ordinary share** | **1.32p** | **1.09p** |
| **Capital return** | | |
| Capital return attributable to ordinary shareholders | £64,163,000 | (£34,774,000) |
| Weighted average number of shares in issue during year | 98,282,193 | 98,650,562 |
| **Total capital return per ordinary share** | **65.28p** | **(35.25p)** |
| Total return | | |
| **Total return per ordinary share** | **66.60p** | **(34.16p)** |

| | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Net asset value per share** | | |
| Net assets attributable to shareholders | £165,654,000 | £101,270,000 |
| Number of shares in issue at year end | 98,282,193 | 98,282,193 |
| **Net asset value per share** | **168.5p** | **103.0p** |

### 7 Cash and cash equivalents

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| GBP Sterling | 199 | 659 |
| Canadian Dollar | 10 | 7 |
| U.S. Dollar | 37,653 | 11,706 |
| **Total** | **37,862** | **12,372** |

### 8 Receivables

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| Dividends receivable | 127 | 218 |
| Due from brokers | 652 | – |
| Prepaid expenses | 29 | 13 |
| **Total** | **808** | **231** |

None of the Company's receivables were past due or impaired as at the year end date.

# Notes to the Financial Statements continued

## 9 Payables

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| Due to brokers | 2,313 | 936 |
| Due to Manager (Gabelli Funds, LLC) | 133 | 101 |
| Other payables | 129 | 188 |
| Total | 2,575 | 1,225 |

## 10 Called up share capital

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| *Authorised:* | | |
| 250,000,000 Ordinary shares of 1p each - equity | 2,500 | 2,500 |
| *Allotted, called up and fully paid:* | | |
| 98,282,193 (2020: 98,282,193) Ordinary shares of 1p each – equity | 983 | 983 |
| *Treasury shares:* | | |
| 1,818,808 (2020: 1,818,808) Ordinary shares of 1p each – equity | 18 | 18 |
| Total shares | 1,001 | 1,001 |

During the year ended 31 March 2021, no shares (2020: 1,424,500) were bought back into treasury (2020: at a cost of £1,813,513).

## 11 Financial risk management

The Company's financial instruments comprise securities and other investments, cash balances, receivables, and payables that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and receivables for accrued income. The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures, and options, for the purpose of managing currency and market risks arising from the Company's activities. No derivatives transactions were undertaken during the year.

The main risks the Company faces from its financial instruments are: (i) market price risk (comprising interest rate risk, currency risk, and other price risk), (ii) liquidity risk, and (iii) credit risk.

The Board regularly reviews, and agrees upon, policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short term receivables and payables, other than for currency disclosures.

### (i) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements: interest rate risk, currency risk, and other price risk.

*Interest rate risk*

Interest rate movements may affect the level of income receivable and payable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

## 11 Financial risk management continued

*Interest risk profile*

The interest rate risk profile of the portfolio of financial assets and liabilities at the year end date was as follows:

| | As at 31 March 2021 | | | |
|---|---|---|---|---|
| | Interest rate % | Local currency 000 | Foreign exchange rate | Sterling equivalent £000 |
| Assets: | | | | |
| GBP Sterling | 0.00 | 199 | 1.00 | 199 |
| Canadian Dollar | 0.00 | 18 | 1.73 | 10 |
| U.S. Dollar | 0.00 | 51,950 | 1.38 | 37,653 |
| Total | | | | 37,862 |

| | As at 31 March 2020 | | | |
|---|---|---|---|---|
| | Interest rate % | Local currency 000 | Foreign exchange rate | Sterling equivalent £000 |
| Assets: | | | | |
| GBP Sterling | 0.00 | 659 | 1.00 | 659 |
| Canadian Dollar | 0.15 | 13 | 1.76 | 7 |
| U.S. Dollar | 0.00 | 14,514 | 1.24 | 11,706 |
| Total | | | | 12,372 |

*Interest rate sensitivity*

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the year end date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

If interest rates had been 10 (2020: 10) basis points higher or lower and all other variables were held constant, the Company's profit or loss for the reporting year to 31 March 2021 would increase / decrease by £38,000 (2020: £12,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances.

As at 31 March 2021 an interest rate of 0.10% is used, given the prevailing Bank of England base rate 0.10%. This level is considered possible based on observations of market conditions and historic trends.

### Foreign currency risk

The Company's investment portfolio is invested mainly in foreign securities and the year end can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investments with foreign currency borrowings.

The revenue account is subject to currency fluctuation arising from overseas income.

Foreign currency risk exposure by currency of denomination:

| | As at 31 March 2021 | | |
|---|---|---|---|
| | Investments £000 | Net monetary assets £000 | Total currency exposure £000 |
| Canadian Dollar | 1,894 | 10 | 1,904 |
| Euro | 402 | (1) | 401 |
| Norwegian Krone | 395 | - | 395 |
| Swiss Franc | 3 | - | 3 |
| U.S. Dollar | 126,865 | 35,993 | 162,858 |
| Total | 129,559 | 36,002 | 165,561 |

# Notes to the Financial Statements continued

## 11 Financial risk management continued

| | As at 31 March 2020 | | |
|---|---|---|---|
| | Investments £000 | Net monetary assets £000 | Total currency exposure £000 |
| Canadian Dollar | 1,442 | 7 | 1,449 |
| U.S. Dollar | 88,450 | 10,987 | 99,437 |
| Total | 89,892 | 10,994 | 100,886 |

The asset allocation between specific markets can vary from time to time based on the Investment Manager's opinion of the attractiveness of the individual markets.

### Foreign currency sensitivity

The following table details the Company's sensitivity to a 15% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return before tax and equity shareholders' funds. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 15% change in foreign currency rates.

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| Canadian Dollar | 2 | 1 |
| Euro | – | – |
| Norwegian Krone | – | – |
| Swiss Franc | – | – |
| U.S. Dollar | 5,399 | 1,648 |
| Total | 5,401 | 1,649 |

### Other price risk

Other price risks, i.e., changes in market prices other than those arising from interest rate or currency risk, may affect the value of the quoted investments.

The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly to review investment strategy. The investments held by the Company are listed on recognised stock exchanges.

### Other price risk sensitivity

If market prices at the year end date had been 15% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 31 March 2021 would have increased / decreased by £19,434,000. The calculations are based on the portfolio valuations as at the year end date, and are not representative of the year as a whole.

### (ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. All creditors are payable within three months.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

### (iii) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is managed as follows:

- Investment transactions are carried out mainly with one broker, G.research, LLC, whose credit ratings are reviewed periodically by the Investment Manager.
- Most transactions are made delivery versus payment on recognised exchanges.
- Cash is held only with reputable banks.

The maximum credit risk exposure as at 31 March 2021 was £38,670,000 (2020: £12,603,000). This was due to cash and receivables as per notes 7 and 8.

## 12 Capital management policies and procedures
The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the revenue and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Investment Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The analysis of shareholders' funds is as follows:

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|---|---|
| Equity share capital | 1,001 | 1,001 |
| Special distributable reserve* | 95,885 | 95,885 |
| Capital reserve | 67,269 | 3,106 |
| Revenue reserve* | 1,499 | 1,278 |
| Total | 165,654 | 101,270 |

* These reserves are distributable.

## 13 Alternative Investment Fund Managers ("AIFM") Directive
In accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Company is an Alternative Investment Fund ("AIF") and has appointed Gabelli Funds, LLC as its Alternative Investment Fund Manager (the "AIFM") to provide portfolio management and risk management services to the Company in accordance with the investment management agreement.

The Company is categorised as an externally managed European Economic Area ("EEA") domiciled AIF for the purposes of the AIFMD. Since the Investment Manager is a non-EEA AIFM, the Investment Manager is only subject to the AIFMD to the extent that it markets an EEA AIF in the EEA. Accordingly, the Investment Manager is required to make only certain financial and nonfinancial disclosures.

The Company's maximum leverage levels at 31 March 2021 are shown below:

| Leverage Exposure | Gross method | Commitment method |
|---|---|---|
| Maximum permitted limit | 115% | 115% |

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

## 14 Related party transactions
During the year ended 31 March 2021, with the exception of Investment Management fees, Directors' remuneration, Directors' shareholdings, secretarial fees, and other administrative fees, the Company paid brokerage commissions on security trades of £43,206 (2020: £76,776) to G.research, LLC, an affiliate of the Investment Manager.

## 15 Contingent Liabilities and Commitments
As at 31 March 2021, the Company had no contingent liabilities or commitments (31 March 2020: Nil).

## 16 Post balance sheet events
On 9 June 2021 the Board declared an interim dividend of 1.2 pence per share in respect of the year ended 31 March 2021. The dividend is payable on 2 July 2021, to shareholders on the register as at close of business on 18 June 2021.

On 9 June 2021 the Board declared a further interim dividend on 0.2 pence per share in respect of the year ending 31 March 2022. This dividend is being paid in order to ensure that the Company meets the distribution requirements to maintain investment trust status during the period from 1 April 2021 to the date of the General Meeting. The dividend is payable on 2 July 2021 to shareholders on the register as at close of business on 18 June 2021.

There are no other significant post balance sheet events to report.

# Glossary

### Alternative Investment Fund Managers Directive ("AIFMD")
Agreed by the European Parliament and the Council of the European Union and adopted into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ('AIFS') and requires them to appoint an Alternative Investment Fund Manager ('AIFM') and Depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

### Alternative Performance Measurements ("APM")
Alternative Performance Measures ("APMs") are measures that the Company believes provide shareholders with important information on the Company and are appropriate for an investment trust. The APMs used by the Company are NAV total return, share price total return, total return performance, discount and ongoing charges.

### Benchmark
An index against which performance is compared. The Company does not have a benchmark.

### Capital Return per Share
The capital return per share is the capital profit for the year (see Statement of Comprehensive Income) divided by the weighted average number of ordinary shares in issue during the year.

### Custodian
The Custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

### Depositary
From July 2014 all AIFs were required to appoint a Depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation of the underlying holdings and is responsible for the appointment of a custodian. The Depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets.

The Depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

### Dividend Dates
When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

### Dividend Yield
The annual dividend expressed as a percentage of the share price.

### Gearing
The net gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) the Company has used to invest in the market less cash and investments in cash funds, divided by net assets.

### Investment Trusts
Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investments trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

### Liquidity
In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

### Net Asset Value ("NAV") per ordinary share
The value of the Company's assets (i.e. investments, cash held and debtors) less any liabilities (i.e. bank borrowings, debt securities and creditors) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as total shareholders' funds on the Statement of Financial Position. The NAV is published daily.

Net Asset Value per ordinary share, total return§ represents the theoretical return on NAV per ordinary share, assuming that dividends paid to shareholders were reinvested at the NAV per ordinary share at the close of business on the day shares were quoted ex dividend.

| | 2021 | 2020 |
|---|---|---|
| NAV at start of year (p) | 103.5 | 137.9 |
| NAV at end of year (p) | 168.6 | 103.5 |
| Effect of dividends (p)* | 1.5 | 0.5 |
| NAV at end of year including effect of dividends (p) | 170.1 | 104.0 |
| NAV total return | 64.3% | -24.6% |

* Assumed reinvested at the time of dividend going ex-dividend.

Ongoing Charges§ are operating expenses incurred in the running of the Company, whether charged to revenue or capital, but excluding financing costs. These are expressed as a percentage of the average net asset value during the year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

| | | 2021 £'000 | 2020 £'000 |
|---|---|---|---|
| Regular recurring expenses | a | 1,736 | 1,732 |
| Average Shareholders' funds | b | 131,965 | 139,166 |
| Ongoing Charge Calculation | a/b | 1.32% | 1.24% |

### Premium/Discount§

The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

### Revenue Return per ordinary share§

The revenue return per ordinary share is the revenue return profit for the year divided by the weighted average number of ordinary shares in issue during the year.

Share Price Total Return§ is the measure of how the Company's share price has performed over a period of time, taking into account both capital returns and entitlement to dividends declared by the Company.

| | 2021 | 2020 |
|---|---|---|
| Share price at start of year (p) | 82.5 | 122.5 |
| Share price at end of year (p) | 162.0 | 82.5 |
| Effect of dividends* | 1.5 | 0.5 |
| Share price at end of year including effect of dividends (p) | 163.5 | 83.0 |
| Share price total return | 98.2% | -32.3% |

* Assumed reinvested at the time of dividend going ex-dividend.

### Total Return Performance§

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

§ Alternative Performance Measures

# Company Information

### Registered Name
Gabelli Value Plus+ Trust Plc

### Registered Office
3 St. James's Place
London
SW1A 1NP

### Board of Directors
Peter Dicks
Richard Fitzalan Howard
Christopher Mills

### Investment Manager
Gabelli Funds, LLC
One Corporate Center
Rye
New York
10580-1422

### Company Secretary
Maitland Administration Services Limited
Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

### Independent Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

### Administrator and Custodian
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London EC4 5HJ

### Depositary
State Street Trustees Ltd
20 Churchill Place
Canary Wharf
London E14 5HJ

### Broker
Peel Hunt LLP
Moor House, 120 London Wall
London EC2Y 5ET

### Registrar and Receiving Agent
Computershare Investment Services PLC
The Pavillions
Bridgwater Road
Bristol BS13 8AE

### Information to Shareholders
With effect from 1 January 2016 new tax legislation under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") was introduced. This legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Gabelli Value Plus+ Trust Plc provides information annually to the local tax authority on a number of non-UK based certificated shareholders and incorporated entities.

All new shareholders, excluding those whose shares are held on CREST, who are entered onto the share register after 1 January 2016 are sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders.

https://www.gov.uk/government/publications/exchange-of-information-account-holders.

Please visit us on the internet. Our home page at www.gabelli.co.uk contains information about Gabelli Funds. LLC and the Gabelli Value Plus+ Trust Plc.

We welcome your comments and questions at +44 02 3206 2100 or via email at info@gabelli.co.uk.

# Notice of Annual General Meeting 2021

Notice is hereby given that the 2021 Annual General Meeting (the "**AGM**") of the Company will be held at the offices of Gabelli, 3 St. James's Place, London SW1A 1NP on Monday, 12 July 2021 at 11.00 am (BST) to consider and, if thought fit, pass resolutions numbered 1 to 8 as Ordinary Resolutions, and resolutions 9 and 10 as Special Resolutions.

**Shareholders' attention is drawn to note 7 on page 53 concerning arrangements for the AGM under the UK Government's guidance on measures to prevent the spread of COVID-19.**

## Ordinary Business

1. To receive the report of the Directors of the Company and the financial statements for the year ended 31 March 2021 (the "**Annual Report**") together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 March 2021, excluding the remuneration policy of the Company.

3. To re-elect Peter Dicks as a Director

4. To re-elect Richard Fitzalan Howard as a Director.

5. To re-elect Christopher Mills as a Director.

6. To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next AGM at which accounts are laid before the Company.

7. To authorise the Audit and Management Engagement Committee to determine the remuneration of the auditors.

## Special Business

### Ordinary Resolution

8. THAT the Directors of the Company be and are hereby generally and unconditionally authorised (in substitution for any authorities previously granted to the Directors to the extent unused) pursuant to Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to a maximum aggregate nominal amount of £49,141 (being approximately five percent of the issued share capital (excluding treasury shares), as at the date of this Notice), provided that the authorities conferred on the Directors shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make offers or agreements which would, or might, require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

### Special Resolutions

9. THAT, subject to the passing of Resolution 8 (and in substitution for all subsisting authorities to the extent unused but without prejudice to the exercise of any such power prior to the date hereof), the Directors be and are hereby empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 (the "Act"), to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 8 as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    a. in connection with an offer of equity securities (but in the case of the authority, granted under paragraph (b) of resolution 9, by way of a rights issue only)

        (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

        (ii) to holders of other equity securities (if any) as required by the rights of those securities or as the Directors otherwise considers necessary,

    and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts); and

    b. otherwise than pursuant to paragraph sub-paragraph (a) above, up to an aggregate nominal amount of £49,141 (being approximately five percent of the issued share capital (excluding treasury shares), as at the date of this Notice); and

        (i) shall expire at the conclusion of the Company's next Annual General Meeting after the passing of this resolution, save that the Company may before such expiry make an offer or agreement, which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired; and

        (ii) shall be limited to the issue of equity securities (including, without limitation, where equity securities are being issued from treasury) at a price of not less than the net asset value per share as close as practicable to the allotment or sale.

10. THAT in substitution for the Company's existing authority to make market purchases of ordinary shares in the capital of the Company ("Ordinary shares"), the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act ("the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided that:

# Notice of Annual General Meeting 2021 continued

(i) the maximum number of Ordinary shares hereby authorised to be purchased is 14,732,500 (being 14.99% of the number of shares in issue (excluding treasury shares) as at the date of this Notice;

(ii) the minimum price (excluding expenses) which may be paid for an Ordinary share is the nominal value of that share; and

(iii) the maximum price (excluding expenses) payable by the Company for each Ordinary share is the higher of (i) 105% of the average closing market value of the Ordinary shares in the Company as derived from the Daily Official List of the London Stock Exchange for the five business days prior to the date of the market purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange;

(iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022, unless such authority is renewed prior to such time; and

(v) the Company may make a contract to purchase Ordinary shares, under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to such contract.

All Ordinary shares purchased pursuant to the above authority shall be:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

On behalf of the Board

Peter Dicks
Chairman of the Board
9 June 2021

Registered Office:
3 St. James's Place
London
England
SW1A 1NP

# Notes to the Notice of the AGM

## Proxy appointment

1 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the AGM, or any adjournment thereof. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

2 A form of proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.

3 To appoint a proxy, the form of proxy and any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of any such power or authority), must be either (a) sent to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 8 below, in either case so as to be received no later than 11.00 am on 8 July 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

## Joint shareholders

4 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names appear in the register of members in respect of the share.

## Nominated persons

5 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Act ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

## Information about shares and voting

6 Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on 8 June 2021, which is the latest practicable date before the publication of this Notice is 98,282,193.

## Right to attend and vote

7 Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members as at the close of business on 8 July 2021, or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

Given the continued risks posed by the spread of COVID-19, and in accordance with the provisions of the Articles of Association and Government advice in place as at the date of this Notice, the AGM will be a functional only meeting and shareholders are strongly discouraged from attempting to attend the meeting. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the meeting. If the current measures, or similar, are in place at the time of the meeting, such attendance will be limited to two persons. Should the Government guidance change and the restrictions on public gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending the meeting.

## CREST members

8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual available on the website of Euroclear UK and Ireland Limited ("Euroclear") at www.euroclear.com. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC Participant ID 3RA50 by the latest time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to

# Notes to the Notice of the AGM continued

those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## Corporate Representatives

9 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## Audit concerns

10 Shareholders should note that, under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the auditors' report and the conduct of the audit) that are to be laid before the AGM for the financial year ended 31 March 2021; or (ii) any circumstance connected with auditors of the Company appointed for the financial year ended 31 March 2021 ceasing to hold office since the previous meeting at which the annual financial statements and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial period includes any statement that the Company has been required under section 527 of the Act to publish on a website.

## Questions

11 Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## Members' right to request a resolution to be proposed at the Meeting

12 Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

(i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or

(ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

a. (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

b. it is defamatory of any person; or

c. it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than six weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

## Website information

13 A copy of this notice and other information required by section 311A of the Act can be found at www.gabelli.co.uk.

## Use of electronic address

14 Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.

## Documents available for inspection

15 Copies of the letters of appointment of the non-executive Directors may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 3 St. James's Place, London SW1A 1NP, United Kingdom, up to and including the date of the AGM, and on the date itself at the AGM venue 15 minutes before the meeting until it ends.

## Communication

16 Except as provided above, shareholders who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):

- by calling the Registrar's helpline on +44 (0)370 703 6319, or
- by writing to the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, or
- by email to the Registrar web.queries@computershare.co.uk

Gabelli Value Plus+ Trust Plc
www.gabelli.co.uk
info@gabelli.co.uk